S5110-1-U

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED MARCH 31, 1990

EDWARD V. REGAN
STATE COMPTROLLER

STATE OF NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED MARCH 31, 1990

Prepared by the Office of the State Comptroller

EDWARD V. REGAN
STATE COMPTROLLER

Contents

INTRODUCTORY SECTION

Letter from the Comptroller 7
Certificate of Achievement 16
New York State Organization Chart 17
Selected State Officials 17

FINANCIAL SECTION

Report of Independent Accountants 20

GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Balance Sheet—All Fund Types and Account Groups (Exhibit A) 24
Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)—All Governmental Fund Types and Expendable Trust Funds (Exhibit B) 26
Combined Statement of Cash Receipts and Disbursements—Budgetary Basis—Financial Plan and Actual—Governmental Fund Types (Exhibit C) 27
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances—Nonexpendable Trust Funds, State and Local Retirement System and Public Benefit Corporations (Exhibit D) 29
Combined Statement of Changes in Financial Position—Nonexpendable Trust Funds, State and Local Retirement System and Public Benefit Corporations (Exhibit E) 30
Notes to Financial Statements 31

COMBINING FINANCIAL STATEMENTS

General Fund

Narrative 68
Charts 69
Combining Schedule of Balance Sheet Accounts 70
Combining Schedule of Revenue, Expenditure and Changes in Fund Balance (Deficit) Accounts 74

Special Revenue Funds

Special Revenue Funds—Descriptions 78
Charts 79
Combining Balance Sheet 80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) 84
Combining Schedule of Cash Receipts and Disbursements—Budgetary Basis—Financial Plan and Actual 88

Debt Service Funds

Debt Service Funds—Descriptions 92
Charts 93
Combining Balance Sheet 94

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) 96
Combining Schedule of Cash Receipts and Disbursements–Budgetary Basis–Financial Plan and Actual 98

Capital Projects Funds

Capital Projects Funds–Descriptions 100
Charts 101
Combining Balance Sheet 102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) 104
Combining Schedule of Cash Receipts and Disbursements–Budgetary Basis–Financial Plan and Actual 106

Trust and Agency Funds

Trust and Agency Funds–Descriptions 108
Charts 109
Combining Balance Sheet 110
Expendable Trust Funds–Combining Statement of Revenues, Expenditures and Changes in Fund Balances 114
Nonexpendable Trust Funds–Combining Statement of Revenues, Expenses and Changes in Fund Balances 115
Nonexpendable Trust Funds–Combining Statement of Changes in Financial Position 117
Combining Statement of Changes in Assets and Liabilities–All Agency Funds 119

General Fixed Assets Account Group

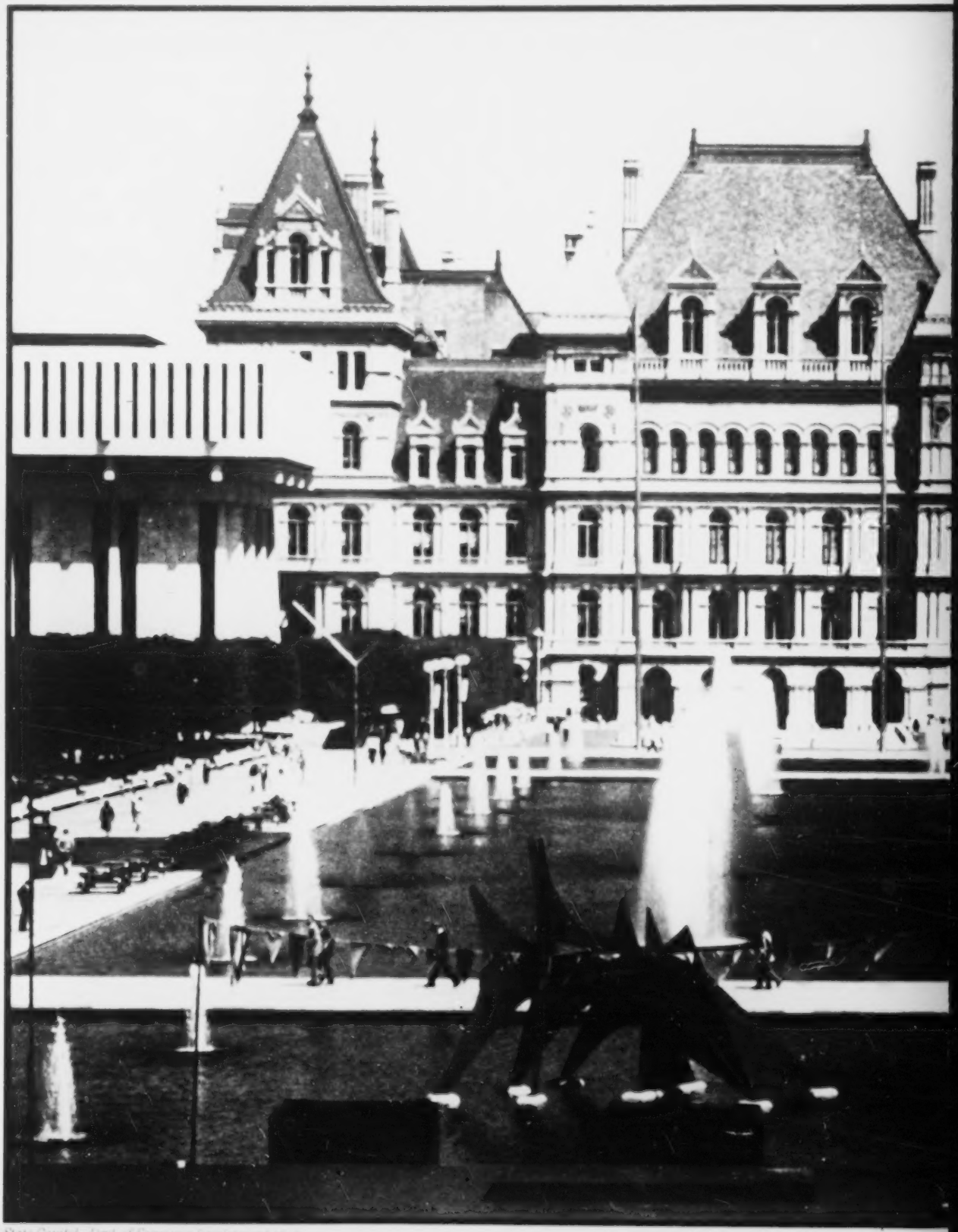
Schedule of General Fixed Assets by Function 124
Schedule of Changes in General Fixed Assets by Function 125

Public Benefit Corporations

Narrative 127
Combining Balance Sheet 128
Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficits) 130
Combining Statement of Changes in Financial Position 132

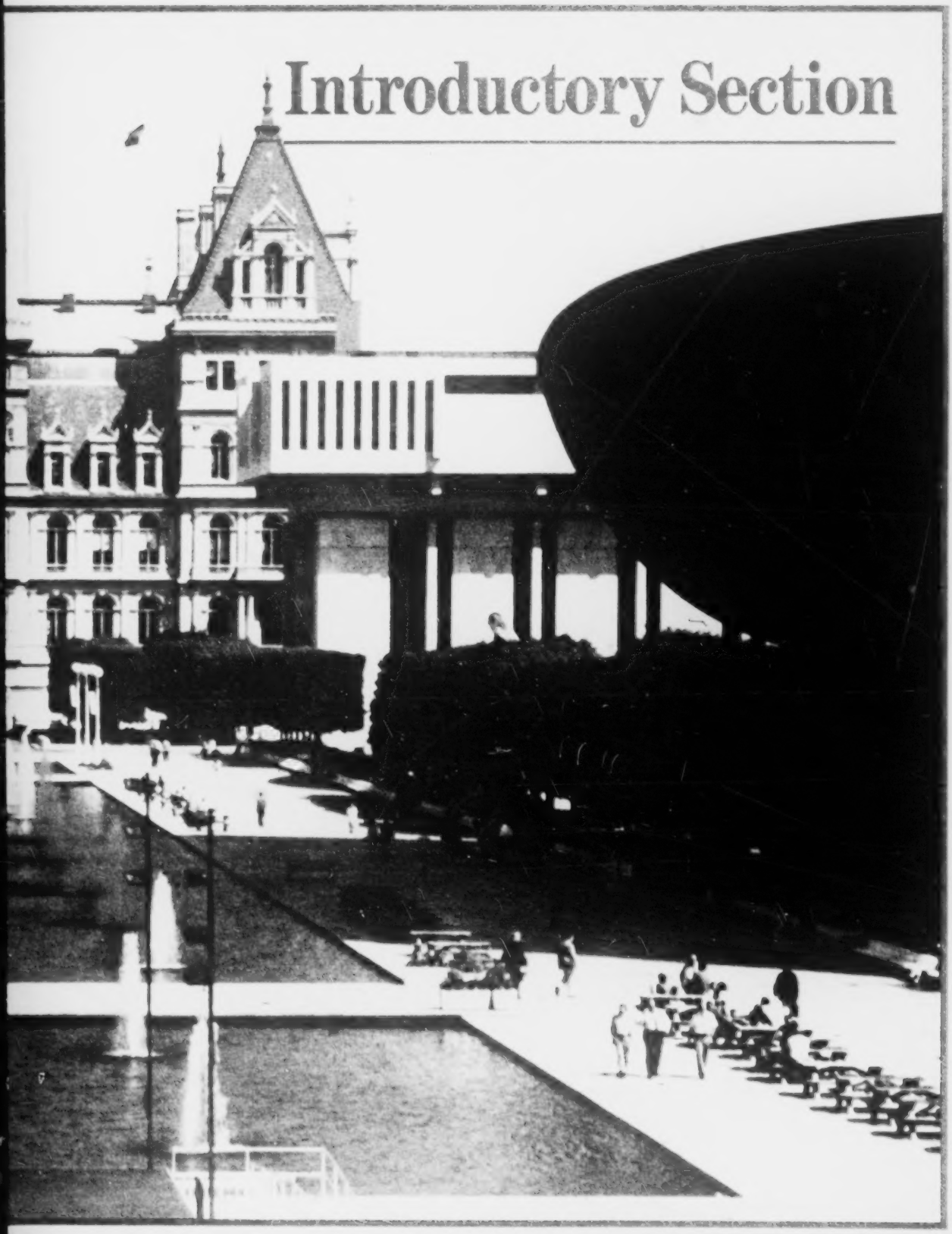
STATISTICAL SECTION

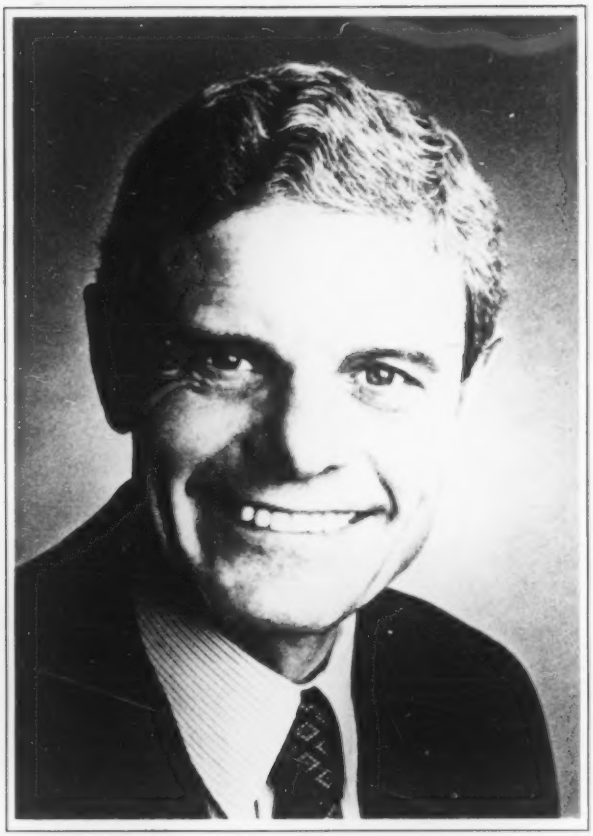
Schedule of Revenues, Expenditures and Other Financing Sources (Uses)–All Governmental Funds–for the Ten Past Fiscal Years 136
Schedule of Collections of Principal State Taxes 138
Schedule of State Related Debt Per Capita 138
Schedule of Ratio of Annual Debt Service for General Obligation Debt to Total General Fund Expenditures 139
Schedule of Demographic Statistics 140
Schedule of City Populations Within New York State 141
Schedule of Ten Largest Industrial & Commercial Employers 142
Nonagricultural Employment and Income by Categories 143
Schedule of Miscellaneous Statistics 144



State Capitol—Dept. of Economic Development photo

Introductory Section





EDWARD V. REGAN
State Comptroller

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
ALBANY, NEW YORK
12236

EDWARD V. REGAN
STATE COMPTROLLER

July 20, 1990

To the Citizens, Governor and Members of the Legislature of the State of New York:

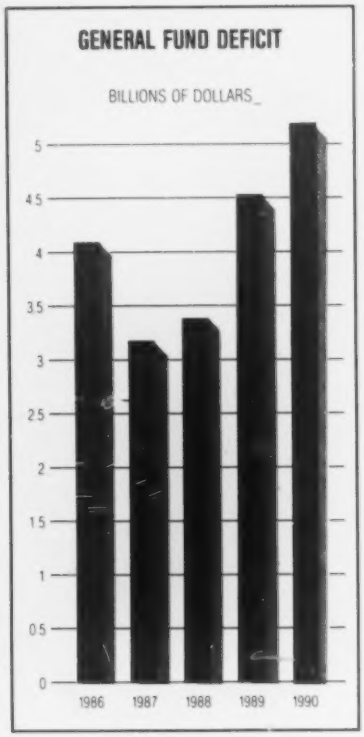
In accordance with Section 8(9) of the New York State Finance Law, I am pleased to present the Comprehensive Annual Financial Report of the State of New York for the fiscal year ended March 31, 1990. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Office of the State Comptroller. I am confident the data presented is accurate in all material aspects, is presented in a manner which fairly sets forth the financial position and results of operations of the State as measured by the financial activity of its various funds and that all disclosures necessary to enable the reader to gain an understanding of the State's financial position and results of operations have been included.

This report has been prepared in accordance with generally accepted accounting principles ("GAAP") for governments as promulgated by the Governmental Accounting Standards Board. The general purpose financial statements contained in this report have been audited by Coopers & Lybrand. Their audit was conducted in accordance with generally accepted auditing standards and their auditors' report precedes the general purpose financial statements. The unqualified auditors' report attests that the State's financial information is fairly presented in accordance with GAAP. In addition, this past year I was honored to receive the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the State's 1989 Financial Report. This prestigious award represents the highest form of recognition in the area of governmental and financial reporting. It also reflects my commitment to accountability to the taxpayers through public disclosure designed to clearly communicate the State's financial story and motivate individuals and user groups to read the Report.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the State's organizational chart and a list of principal officials. The Financial Section includes the general purpose financial statements and the combining statements and schedules, as well as the auditor's report on the financial statements and schedules. The Statistical Section includes fiscal, social and demographic information about the State.

For the third consecutive year I must report that the State has incurred another General Fund operating deficit of $673 million. For fiscal years 1988 and 1989 I reported similar deficits of $141 million and $1.136 billion, respectively. The General Fund accumulated deficit is now $5.230 billion. At March 31, 1990 the State issued $775 million in tax and revenue anticipation notes to close the third consecutive year of cash deficits in the General Fund. Further, the State's spring borrowing increased to $4.1 billion from $3.9 billion a year earlier.

New York's fiscal problems did not occur overnight. Years of spending in excess of recurring revenues and the increasing reliance on one shot non-recurring revenues, back-door financing schemes and shifts of financial burdens to future generations have all contributed to undoing much of the progress the State had made since the fiscal crisis of the 1970's.



The inability of the Governor and the Legislature to adequately come to grips with the State's fiscal problems was highlighted during the 1990 legislative session. The budget for fiscal year 1990-91 wasn't passed until seven weeks after the fiscal year had begun. The budget enacted included over $1.3 billion in increased taxes and fees and contained approximately $1.9 billion in various one-shot revenues and spending relief. The State and Local Retirement System was required by new legislation to make changes in funding methods used to calculate employer contributions, which will reduce State payments in the short term. Although these changes provided some immediate budgetary relief it is my belief that contributions will rise in the future. These changes were made without the benefit of any study or analysis of the impact of the funding change on the system, or on its members, and beneficiaries, or its local government contributors. The New York State Teachers' Retirement System agreed to make a change in actuarial assumptions which provided additional budgetary relief.

It's obvious that the State's policymakers have not heeded the repeated warnings that the State must act quickly to restrain spending and learn to live within its means. This has led to the State's deteriorating fiscal condition and the decision by credit rating agencies to lower the State's credit ratings to their lowest level ever. In addition, increases in taxes have raised the cost of doing business in the State and have weakened the State's ability to compete effectively in a global economy.

In previous reports I've indicated that the State's highest priority should be to restrain spending and make major changes to certain programs to contain costs and increase productivity. State spending for the total of all Governmental Funds continues to increase faster than both the rate of inflation and the growth in State revenues. For fiscal year 1989-90 spending increased by 7.5%. The excessive spending increases, accommodated by one-shot revenues, refinancings, borrowings and expenditure deferrals, have created a structural deficit that must be addressed through reduced spending rather than further increases in taxes or other short-term solutions.

On the positive side, after the 1990-91 budget was adopted some fiscal reform measures were enacted which begin the process of undoing thirty years of fiscal machinations and brings hope for the future. First and foremost was the creation of the New York Local Government Assistance Corporation with authorization to issue up to $4.7 billion in long-term debt. For the last decade I have spearheaded an effort to eliminate expense rollovers, to reduce the annual spring borrowing and to reduce the General Fund accumulated deficit. While this legislation does not achieve all of my goals, it will reduce, if not eliminate, the annual spring borrowing and begin the process of reducing the General Fund accumulated deficit. Also included are restrictions on future intrayear deficit note sales which should prevent new rollovers from occurring.

A spending limitation act was also adopted. It establishes spending targets for two years and a spending cap on State-funded expenditures for 1993-94. While this represents a first step in curtailing New York's excessive spending habits, I call on the Governor and the Legislature to strengthen the spending limitation by capping spending on a permanent basis.

These reform measures represent significant changes which will limit the recurrence of the past year's fiscal problems by eliminating the continued misuse of borrowing as a budget balancing device. The bond out of the annual spring borrowing marks the culmination of a ten year effort by my office to eliminate rollovers and to reduce both the spring borrowing and the accumulated deficit. The long-term fiscal discipline requirements now in statute should discourage any return to excessive borrowing habits which helped fuel excessive spending.

Economic Outlook

While the State's economy generally outperformed the national economy during most of the 1980's, this situation has reversed during the past two years. The unemployment rate in New York, which had dropped to as low as 4.2% in 1988, rose to 5.1% in 1989 and averaged 5.2% during the first six months of 1990, reflecting the sluggishness that has characterized the economy overall since the 1987 stock market crash, in particular in the New York City and Long Island areas. Further, retail sales continue to be significantly slower than even the reduced pace of the State economy overall would otherwise suggest, reflecting perhaps growth in the consumer savings rate. Further, after exceeding the national rate for most of the previous eight years, the growth of personal income is expected to be slightly lower than the national rate during 1990.

The financial sector of the State's economy, which had provided almost 40% of the pre-crash job growth during the 1980's, is experiencing a protracted period of retrenchment as it adjusts to the effect of the October 1987 stock market crash. This sector of the economy has sustained a loss of 28,000 jobs in New York City since the crash. While the State overall continues to experience job growth, adding almost 90,000 new jobs during 1989, this is significantly slower than the 153,000 jobs added annually during the 1983 to 1988 period.

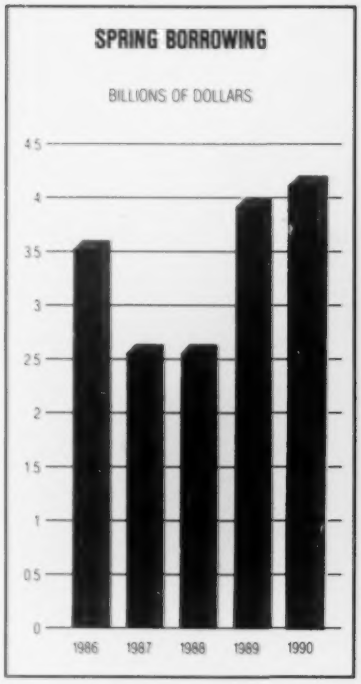
As has been the case for more than two decades, the State continues to lose manufacturing jobs, a situation that is liable to get worse as industry adjusts to the nation's reversal of its decade-long military build-up and shifts to other product lines. In particular, the success with which government and industry address this situation will have a critical impact on the economy of the Long Island area. On the other hand, the collapse of communism in eastern Europe and the changes occurring in the Soviet Union could provide significant new opportunities for the business-service industries heavily represented in the State economy, if that industry is quick to take advantage of them. The economies of the central, southern tier and western parts of the State continue their recovery from the near recession they experienced during much of the 1970's and 1980's.

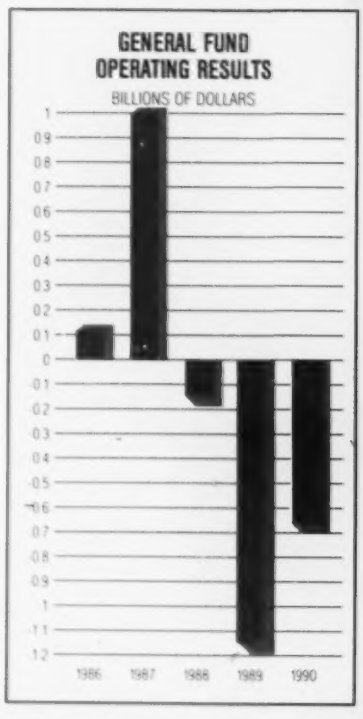
The slower economy with its attendant higher unemployment rate and the low personal income growth rate has already had and will continue to have a direct and immediate impact on the revenue collections of both the State and its local governments. The instability and weakness in the services sectors of the economy, particularly the finance, insurance, and real estate sectors, which provided most of the job growth during the 1980's, does not provide hope that the State economy will recover quickly from its current condition.

Further, the State's own financial situation is deteriorating, with debt increasing and revenue growth rates slowing and, in some cases, actually decreasing year-over-year. As a result, the State's policymakers will face difficult choices in the years ahead in trying to strike a balance between the need to address pressing social concerns and the ability and/or willingness of the State's citizens to pay for those services. As evidenced by a number of cases in recent years, there are many reasons why both business and individual citizens are relocating out of the State, ranging from the highest per capita State and local tax burden in the nation (outside of Alaska) to a deteriorating infrastructure, to many, seemingly intractable, social problems. Unless ways can be found to successfully address these issues without increasing the burden on the taxpayers, the outlook for the future will not significantly improve.

Internal Controls

In developing the State's accounting system, consideration was given to the adequacy of internal controls. Internal accounting controls are





designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits derived. To monitor the adequacy of the State's internal accounting controls my auditors periodically check adherence to internal control policies and procedures.

Three years ago the Legislature passed the New York State Governmental Accountability, Audit and Internal Control Act of 1987 which commits the State to enhancing existing systems of internal controls in all State governmental entities. For the first time there is a requirement for managers in all branches and components of government to maintain comprehensive internal control systems and to regularly evaluate the effectiveness and adequacy of these systems by internal reviews and external audits. Finally, the legislation promotes accountability by assuring that all external audits are made available to the public.

Budgetary Process

The State Constitution requires the Governor to submit a cash basis balanced Executive Budget which contains a complete plan of expenditures for the ensuing fiscal year and identifies the anticipated revenues sufficient to meet the proposed expenditures. Included in the proposed budget are provisions for spending authority for unanticipated revenues or unforeseen emergencies in accordance with statutory requirements. The Executive Budget also includes both cash basis and GAAP basis financial plans for the ensuing fiscal year as well as a three year financial projection for governmental funds and a three year capital plan. The accounting policies used in developing the GAAP basis financial plans are generally consistent with those used in preparing the annual GAAP financial statements.

The Legislature enacts appropriation bills and revenue measures embodying those parts of the Executive Budget it has approved. The Legislature may also enact a supplemental appropriation bill and other appropriation bills as it deems necessary. Once approved by the Governor the appropriation and revenue bills become law, and the cash basis and the GAAP basis financial plans are revised to reflect legislative actions. Generally, the financial plans are updated quarterly and the Governor is required to report to the Legislature showing a comparison of the actual year to date results with the revised plans and providing an explanation of any major deviations or significant changes to the financial plans.

Expenditures are controlled at the major object (e.g. personal service, grants to local governments) level within each program/project of each State agency in accordance with the underlying approved appropriation bills. Encumbrances are used to reserve a portion of the applicable appropriation prior to the release of purchase orders and contracts to vendors. Purchase orders that would result in an overrun of available balances are not released until budget revisions are approved or additional appropriations are made. Outstanding encumbrances are reported as reservations of fund balances at year-end.

The Reporting Entity and Its Services

The funds and entities included in our Comprehensive Annual Financial Report are controlled by or dependent on the State. Determination of "controlled by or dependent on" is based on criteria prescribed by the Governmental Accounting Standards Board, for defining the financial reporting entity. The criteria deals with the selection of the governing authority, designation of management, scope of public service and the

ability to significantly influence operations. Based on these criteria the various funds, account groups and entities shown in this report are considered to be part of the reporting entity.

The State provides a range of governmental services in such areas as education, social services, health and environmental services, criminal justice, transportation, mental hygiene, housing, among others and also administers the State and Local Retirement System.

General Governmental Functions

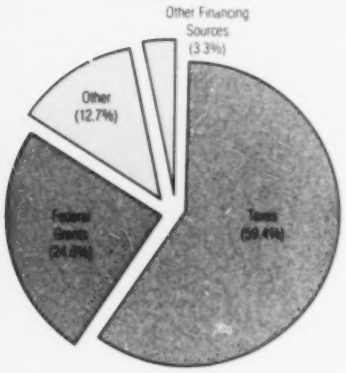
The State completed its fiscal year ended March 31, 1990 with a combined Governmental Funds operating deficit of $1.172 billion as compared to a combined Governmental Funds operating deficit for the preceding fiscal year of $999 million. The combined 1989-90 operating deficit of $1.172 billion included operating deficits in the General Fund of $673 million, Special Revenue Funds of $333 million and the Capital Projects Funds of $180 million partially offset by an operating surplus in the Debt Service Funds of $14 million. The 1988-89 combined operating deficit of $999 million included operating deficits in the General Fund of $1.136 billion and the Capital Projects Funds of $184 million partially offset by an operating surplus in the Special Revenue Funds of $211 million and Debt Service Funds of $110 million.

The State's financial position as shown in its Combined Balance Sheet as of March 31, 1990 includes an accumulated deficit in its Governmental Funds of $3.140 billion represented by liabilities of $13.873 billion and by assets of $10.733 billion available to liquidate such liabilities. The accumulated governmental funds deficit includes a $5.230 billion accumulated General Fund deficit, consisting of the $4.557 billion accumulated deficit at April 1, 1989 increased by the $673 million operating deficit in the General Fund for fiscal 1990.

Revenues and other financing sources of the Governmental Funds totaled $46.895 billion, an increase of $3.386 billion (7.8%) over the previous year. The revenues from various sources, and the change from the previous year are shown in the following tabulation (amounts in thousands):

Revenues and Other Financing Sources	1990	1989	Increase/(Decrease) Over 1989 Actual Amount	Percent
Taxes:				
Personal income	$ 14,977,605	$ 14,640,790	$ 336,815	2.30
Consumption and use	7,816,849	7,263,717	553,132	7.61
General business	3,777,376	3,634,581	142,795	3.93
Other	1,286,711	1,309,595	(22,884)	(1.75)
Subtotal	27,858,541	26,848,683	1,009,858	3.76
Federal grants	11,534,602	10,305,533	1,229,069	11.93
Other:				
Lottery	1,948,273	1,769,983	178,290	10.07
Tuition and fees	540,671	554,920	(14,249)	(2.57)
Patient fees	688,346	647,393	40,953	6.33
Miscellaneous	2,794,028	2,351,888	442,140	18.80
Subtotal	5,971,318	5,324,184	647,134	12.15
Total revenues	45,364,461	42,478,400	2,886,061	6.79
Other financing sources	1,530,189	1,030,626	499,563	48.47
Total revenues and other financing sources	$ 46,894,650	$ 43,509,026	$ 3,385,624	7.78

Revenues—1990



Increases in revenues were highlighted by:

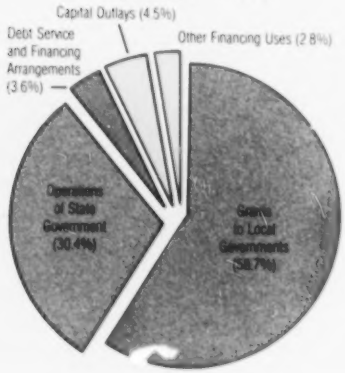
- Consumption and use taxes increased $553 million which was due to an increase in both alcoholic beverage and cigarette tax rates, broadening of the tax base, and increased tax enforcement.
- Federal grants increased $1.229 billion which was due primarily to the increased costs of social services, Medicaid and education programs.

Expenditures and other financing uses totaled $48.068 billion in fiscal 1990, which represents an increase of $3.599 billion (8%) over expenditures and other financing uses in fiscal 1989. Changes in expenditures from fiscal 1989 levels are presented in the following tabulation (amounts in thousands):

Expenditures and Other Financing Uses

	1990	1989	Increase/(Decrease) Over 1989 Actual Amount	Percent
Grants to local governments				
Social services	$ 13,478,932	$ 12,364,055	$ 1,114,877	9.02
Education	10,685,410	10,081,851	603,559	5.99
Non-categorical aid	1,133,753	1,199,749	(65,996)	(5.50)
Mental hygiene	949,945	862,308	87,637	10.16
Health and environment	602,468	518,045	84,423	16.30
Criminal justice	247,304	261,435	(14,131)	(5.41)
Transportation	398,678	261,037	137,641	52.73
Other programs	693,774	679,220	14,554	2.14
Subtotal	28,190,264	26,227,700	1,962,564	7.48
Operations of State government	14,626,128	13,603,866	1,022,262	7.51
Debt Service and financing arrangements	1,716,362	1,560,987	155,475	9.96
Capital outlays	2,177,882	2,115,623	62,259	2.94
Total expenditures	46,710,636	43,508,076	3,202,560	7.36
Other financing uses	1,356,941	1,000,440	356,501	35.63
Total expenditures and other financing uses	$ 48,067,577	$ 44,508,516	$ 3,559,061	8.00

Expenditures—1990


Capital Outlays (4.5%)
Debt Service and Financing Arrangements (3.6%)
Other Financing Uses (2.8%)
Operations of State Government (30.4%)
Grants to Local Governments (58.7%)

Increases in expenditures were highlighted by:

- Social services increased $1.115 billion due primarily to an increase in Medicaid of approximately $927 million reflecting an increase in utilization of services, rate adjustments and overall growth in the Medicaid program.
- Education increased $604 million which represents aid for elementary, secondary and higher education for the general support of public schools.
- Operations of State government increased $1.022 billion due primarily to increases in personal service resulting from negotiated pay increases.

Debt Administration and Other Financing Arrangements

There are a number of methods by which the State may incur debt. The State may issue general obligation bonds authorized by the voters and notes in anticipation of such bonds. The State, with voter approval, may also directly guarantee certain Authority obligations. Payments for debt service on State general obligation and State-guaranteed bonds or notes are legally enforceable obligations of the State. The State has never been called upon to make any direct payments pursuant to its guarantee.

The State has also entered into lease/purchase agreements and other financing arrangements with several public benefit corporations and municipalities. In addition, the State entered into various arrangements for the refinancing and purchase of equipment through the issuance of certificates of participation.

Bonds Payable and Short-Term Financing

The State's general obligation bonds are rated A by Standard and Poor's Corporation and A by Moody's Investors Service. The State had approximately $3.986 billion in general obligation bonds outstanding at year-end. During the year the State issued $659 million in general obligation bonds and redeemed $292 million. The total amount of general obligation bonded debt authorized but not yet issued at year-end was $4.756 billion.

Notes payable decreased by $51 million resulting in a year-end balance of $242 million. The notes were issued, in the form of commercial paper, at an interest rate of 4.85% to 5.85%.

In March of 1990, the State experienced a cash basis operating deficit which was addressed by issuing $775 million in tax and revenue anticipation notes.

The State annually issues tax and revenue anticipation notes (TRANS) at the inception of each fiscal year. In April 1989 the State issued an aggregate amount of $3.9 billion in TRANS which were repaid by March 1990. In June 1990 the State issued TRANS in the amount of $4.1 billion which mature on March 28, 1991.

The Public Benefit Corporations (PBC's) had approximately $25 billion in bonds payable and short-term debt outstanding at year-end. For further information regarding PBC debt refer to Note 16 of the Notes to Financial Statements.

The State has also entered into lease/purchase agreements with selected public benefit corporations and municipalities for certain of its capital facilities. Under the agreements, construction costs are initially paid from appropriations and repaid to the State from proceeds of bond issues.

The State has also entered into other financing arrangements with several public benefit corporations. The terms of these arrangements require the State to fund the debt service requirements of the specific debt issued by the entity. The public benefit corporations will generally retain title to the assets acquired with the bond proceeds.

At year-end the State had long-term obligations of $9.087 billion under lease/purchase and other financing arrangements, an increase of $864 million from fiscal 1989.

Fiduciary Fund Type

The Fiduciary Fund Type includes Trust and Agency Funds and the State and Local Retirement System. Trust and Agency Funds are used to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations and other governments. The Trust and Agency Funds reported a year-end fund balance of $51 billion as compared to the previous year-end of $47 billion.

The State and Local Retirement System, covering most non-teaching State employees and local government employees outside of New York City, reported a combined net assets available for retirement benefits of $47.147 billion as compared to the previous year-end amount of $42.868 billion. For further information refer to Note 15 of the Notes to the Financial Statements.

Public Benefit Corporations

Public Benefit Corporations (PBC's), which includes Public Authorities, are legally separate entities that are not operating departments of the State. PBC's have been established for a variety of purposes such as economic development, capital construction, financing and public transportation. The powers of the PBC's generally are vested in their governing boards. The Governor, with the approval of the State Senate, appoints most members of the Board of most major PBC's and either the Governor or the Board selects the Chairman and chief operating officer. PBC's are not subject to the State constitutional restrictions on the incurrence of debt which apply to the State and may issue bonds and notes within legislatively authorized amounts.

PBC's submit annual reports to the Governor, the Legislature and the State Comptroller on their operations and finances accompanied by an independent auditor's report. PBC's are generally supported by revenues derived from their activities, although in recent years the State has provided special financial assistance, in some cases of a recurring nature, to certain PBC's for operating and other expenses, and in fulfillment of its commitments on moral obligation indebtedness. In accordance with the current standards of the Governmental Accounting Standards Board the PBC's have been presented as the Proprietary Fund Type in this report. The amounts presented in this report were derived from the PBC's most recent financial statements. At year-end these entities reflected a combined equity of $9.955 billion. For further information refer to Note 16 of the Notes to Financial Statements.

Risk Management

The State does not insure its buildings or their contents against theft, fire or other risks and does not insure its automobiles against the possibility of bodily injury and property damages. However, the State does have fidelity insurance on State employees. Workers' compensation coverage is provided on a self-insurance basis.

Cash Management

Cash deposits into the State Treasury are controlled jointly by the State Comptroller and Commissioner of Taxation and Finance. Cash is managed in pooled investment funds to maximize interest earnings. Investments are made in accordance with the State Finance Law. Cash is primarily invested in repurchase agreements involving United States Treasury obligations and remaining funds are invested in United States Treasury Bills. For the fiscal year ended March 31, 1990 the average daily balance of pooled investment funds was $3.039 billion with an average yield of 8.885% and total investment income of $270 million. Cash deposits not held in the State Treasury and controlled by various other State officials are generally held in interest bearing accounts.

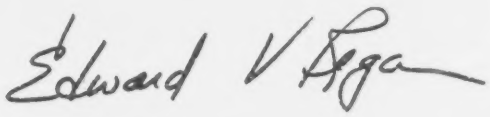
General Fixed Assets

The general fixed assets of the State are those fixed assets used in the performance of general governmental functions. They do not include infrastructure (e.g., roads, bridges, canals, etc.) or fixed assets of public benefit corporations. At March 31, 1990, the general fixed assets of the State amounted to $10 billion. This amount represents the valuation of general fixed assets in accordance with GAAP and the State's capitalization policy as described in Note 1 of the Notes to Financial Statements.

Conclusion

This report continues my commitment to comprehensive disclosure and progressive leadership in financial reporting. It also clearly shows the need for continued fiscal reform and spending reductions if we are to obtain our goal of strengthening the State's fiscal condition by reducing the accumulated deficit and short-term debt of the State.

This report could not have been prepared without the cooperation of all State agencies, the Legislature, and the Judiciary. I especially appreciate the professionalism and dedication demonstrated by my staff in the preparation of this report.



EDWARD V. REGAN
State Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of New York

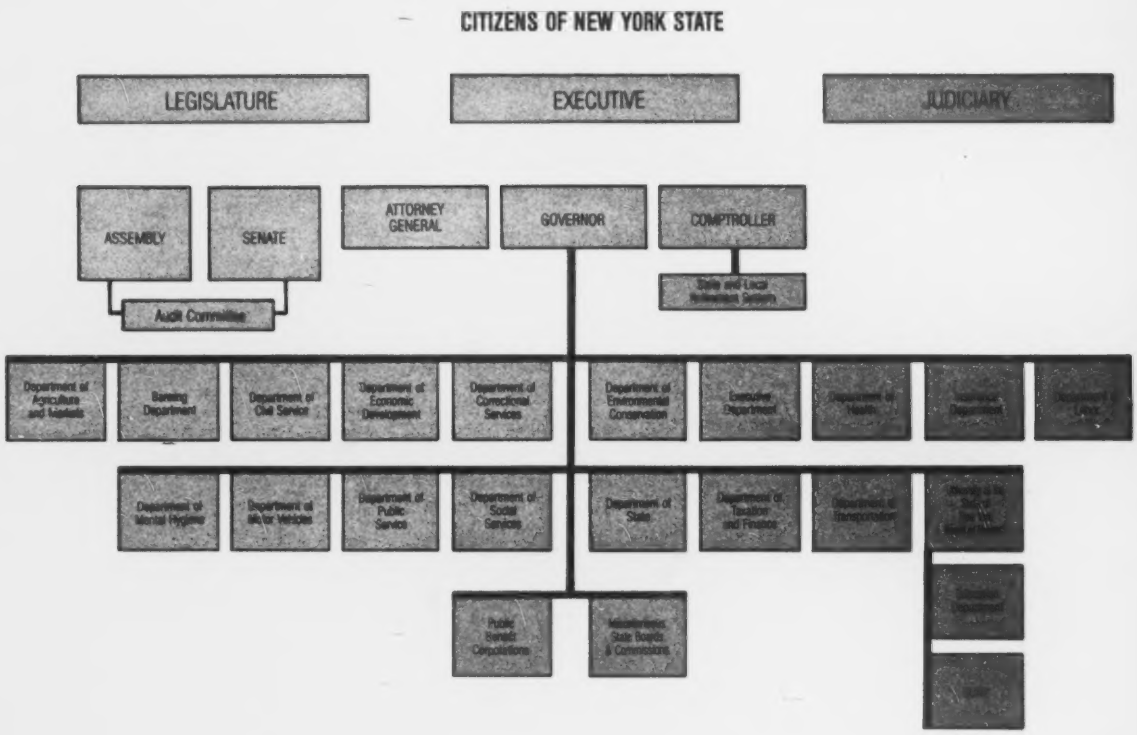
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
March 31, 1989

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director



STATE OF NEW YORK

Selected State Officials

Executive

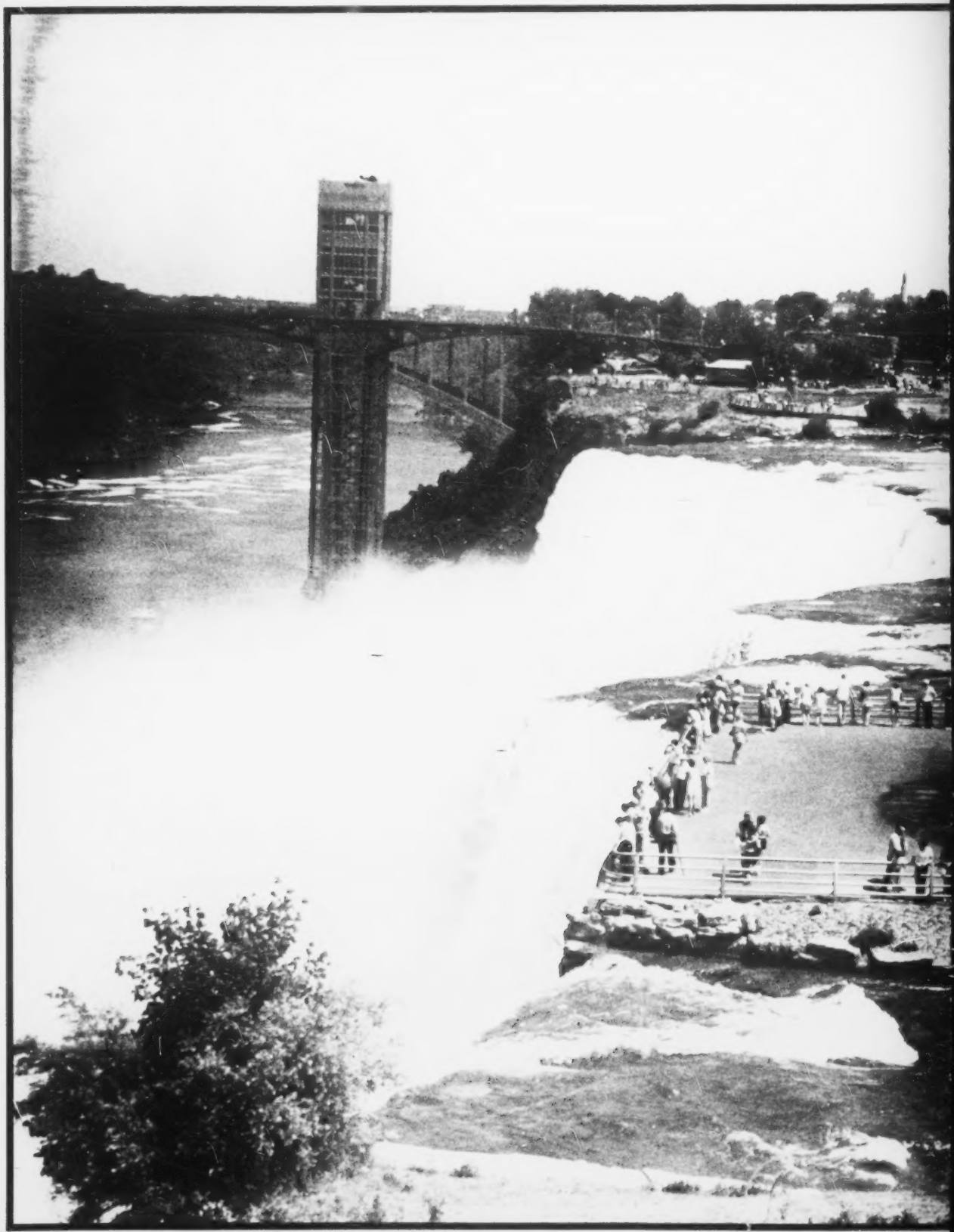
Mario M. Cuomo, Governor
Stanley Lundine, Lieutenant Governor
Edward V. Regan, Comptroller
Robert Abrams, Attorney General

Judicial

Sol Wachtler, Chief Judge
Court of Appeals of New York

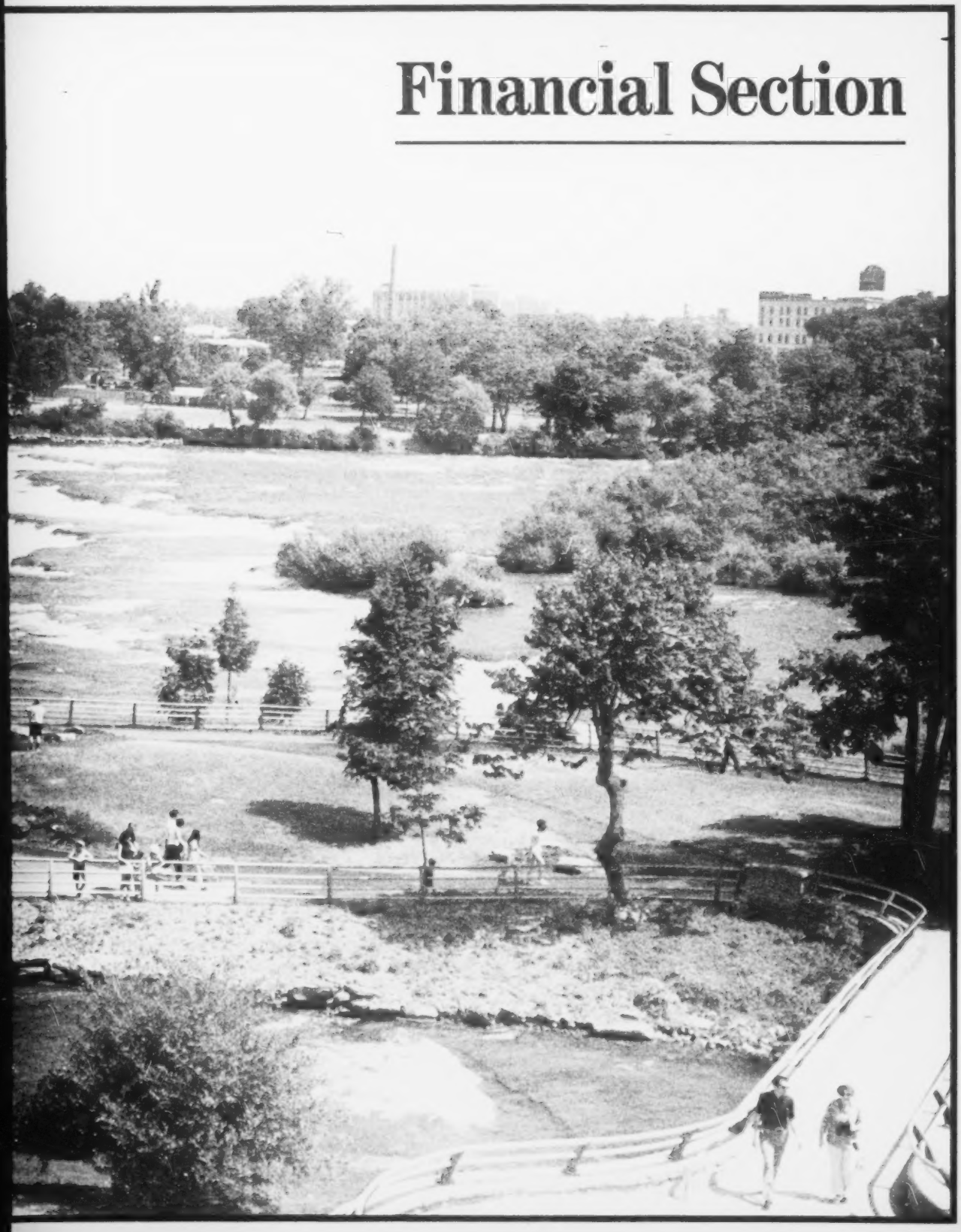
Legislative

Ralph J. Marino, Temporary President of the Senate
Melvin H. Miller, Speaker of the Assembly
Manfred Ohrenstein, Senate Minority Leader
Clarence D. Rappleyea, Assembly Minority Leader



Niagara Falls—Dept. of Economic Development photo

Financial Section



Coopers
&Lybrand

certified public accountants

REPORT OF INDEPENDENT ACCOUNTANTS

The Audit Committee of the
New York State Legislature

We have audited the general purpose financial statements of the State of New York as of March 31, 1990, and for the year then ended, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain entities, which represent 86% and 83%, respectively, of the total assets and total operating revenues of the Public Benefit Corporations, 85% of the total assets of the Trust and Agency Fund, and all revenues of the State and Local Retirement System. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of New York at March 31, 1990, and the results of its operations and changes in financial position of the Nonexpendable Trust Funds, State and Local Retirement System, and Public Benefit Corporations for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, the fund balance of the Expendable Trust Fund has been restated to report certain Agency Funds as Expendable Trust Funds.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The introductory section, the combining financial statements within the financial section and the statistical section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of New York. Such information, except for the introductory and statistical sections, on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based upon our audit and the reports of other auditors, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Coopers & Lybrand

Albany, New York
July 20, 1990

Montauk Point—Dept. of Economic Development photo

General Purpose Financial Statements

Combined Balance Sheet

ALL FUND TYPES AND ACCOUNT GROUPS

March 31, 1990
(Amounts in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS:				
Cash and investments	$ 1,016,611	$ 547,525	$ 1,439,517	$ 296,490
Retirement system investments	–	–	–	–
Receivables, net of allowances for uncollectibles				
Taxes	3,896,910	61,626	–	–
Due from Federal government	–	1,912,814	–	123,075
Loans and leases	–	–	–	–
Other	243,811	56,639	424,815	53,378
Due from other funds	105,239	334,795	35,189	2,959
Marketable securities held in lieu of retainage	–	–	–	75,243
Fixed assets	–	–	–	–
Other assets	103,802	2,395	–	–
Assets available for future debt service	–	–	–	–
Amounts to be provided for retirement of general long-term obligations	–	–	–	–
Total assets	**$ 5,366,373**	**$ 2,915,794**	**$ 1,899,521**	**$ 551,145**
LIABILITIES:				
Payable to local governments	$ 4,293,975	$ 917,426	$ –	$ 45,364
Tax refunds payable	2,642,246	7,340	–	–
Accrued liabilities	1,428,584	969,583	–	13,049
Pension contributions payable	462,548	–	–	–
Accounts payable	391,735	197,647	1,060	390,910
Due to other funds	211,058	81,593	1,166	199,013
Tax anticipation notes payable	775,000	–	–	–
Deferred revenues	267,867	16,039	191,754	2,612
Notes payable	–	–	–	242,000
Bonds payable	–	–	–	–
Obligations under lease/purchase and other financing arrangements	–	–	–	–
Other long-term liabilities	123,577	–	–	–
Total liabilities	**10,596,590**	**2,189,628**	**193,980**	**892,948**
EQUITY (DEFICIT):				
Fund balances (deficits)				
Reserved for				
Net retirement system assets available for benefits	–	–	–	–
Encumbrances	518,180	159,902	–	3,287,133
Unemployment benefits	–	–	–	–
Debt service	–	–	1,026,881	–
Education accumulation	642,390	–	–	–
Infrastructure trust	272,854	–	–	–
Tax stabilization	201,373	–	–	–
Other specified purposes	70,703	–	–	49,366
Unreserved	(6,935,717)	566,264	678,660	(3,678,302)
Investment in general fixed assets	–	–	–	–
Contributed capital	–	–	–	–
Retained earnings	–	–	–	–
Total equity (deficit)	**(5,230,217)**	**726,166**	**1,705,541**	**(341,803)**
Commitments and contingencies				
Total liabilities and equity (deficit)	**$ 5,366,373**	**$ 2,915,794**	**$ 1,899,521**	**$ 551,145**

See accompanying notes to financial statements.

EXHIBIT A

Account Groups		Fiduciary Fund Types	Proprietary Fund Type
General Fixed Assets	General Long-term Obligations	Trust and Agency	Public Benefit Corporations
$ –	$ –	$ 7,643,056	$ 14,674,920
–	–	45,189,271	–
–	–	527,668	–
–	–	22	–
–	–	–	12,599,037
–	–	2,699,924	1,799,034
–	–	125,565	–
–	–	–	–
10,009,032	–	–	15,452,550
–	–	6,359	785,257
–	1,705,541	–	–
–	14,473,183	–	–
$ 10,009,032	**$ 16,178,724**	**$ 56,191,865**	**$ 45,310,798**
$ –	$ –	$ 1,309,356	$ –
–	–	–	–
–	–	3,130,429	5,944,099
–	643,208	–	1,574,674
–	–	219,656	242,771
–	–	110,917	–
–	–	–	–
–	–	–	774,971
–	–	–	705,511
–	3,986,197	–	24,792,863
–	9,087,011	–	–
–	2,462,308	–	1,321,393
–	**16,178,724**	**4,770,358**	**35,356,282**
–	–	47,146,862	–
–	–	–	–
–	–	3,307,254	–
–	–	–	–
–	–	–	–
–	–	–	–
–	–	–	–
–	–	967,391	–
–	–	–	–
10,009,032	–	–	–
–	–	–	9,114,664
–	–	–	839,852
10,009,032	**–**	**51,421,507**	**9,954,516**
$ 10,009,032	**$ 16,178,724**	**$ 56,191,865**	**$ 45,310,798**

Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

EXHIBIT B

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

Year Ended March 31, 1990
(Amounts in thousands)

	Governmental Fund Types				Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
REVENUES:					
Taxes:					
Personal income	$ 14,977,605	$ –	$ –	$ –	$ –
Consumption and use	7,549,381	234,346	33,120	–	–
General business	3,339,886	437,490	–	–	–
Unemployment	–	–	–	–	970,806
Other	1,286,711	–	–	–	–
Federal grants	106,317	10,800,179	2,573	625,533	18,198
Lottery	–	1,948,273	–	–	–
Tuition and fees	–	–	540,671	–	–
Patient fees	–	–	688,346	–	–
Miscellaneous	1,973,097	247,601	489,788	83,542	1,143,067
Total revenues	**29,232,997**	**13,667,891**	**1,754,498**	**709,075**	**2,132,071**
EXPENDITURES:					
Grants to local governments:					
Social services	6,172,235	7,306,697	–	–	–
Education	8,720,792	1,958,391	–	6,227	–
Non-categorical aid	1,133,753	–	–	–	–
Mental hygiene	833,688	87,085	–	29,172	–
Health and environment	288,697	208,634	–	105,137	–
Criminal justice	232,697	14,607	–	–	–
Transportation	249,969	104,770	–	43,939	–
Other programs	378,534	284,398	–	30,842	–
Operation of state departments and agencies:					
Personal service costs	7,815,534	420,357	–	–	2,765
Non-personal service costs	2,874,118	1,430,963	–	–	744,269
Other fringe benefits	1,638,371	80,325	–	–	672
Pension contribution	362,078	4,382	–	–	–
Capital construction	–	–	–	2,177,882	–
Debt service, including payments on financing arrangements	290,266	–	1,426,096	–	–
Unemployment benefits	–	–	–	–	1,597,930
Total expenditures	**30,990,732**	**11,900,609**	**1,426,096**	**2,393,199**	**2,345,636**
Excess (deficiency) of revenues over expenditures	**(1,757,735)**	**1,767,282**	**328,402**	**(1,684,124)**	**(213,565)**
OTHER FINANCING SOURCES (USES):					
Operating transfers from other funds	3,213,668	26,511	1,955,121	531,787	–
Operating transfers to other funds	(2,129,404)	(2,126,663)	(2,396,174)	(135,822)	(1,192)
Proceeds of general obligation bonds	–	–	–	659,240	–
Proceeds from financing arrangements/advance refundings	–	–	1,854,916	448,566	–
Payments on advance refundings	–	–	(1,728,498)	–	–
Net other financing sources (uses)	**1,084,264**	**(2,100,152)**	**(314,635)**	**1,503,771**	**(1,192)**
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	**(673,471)**	**(332,870)**	**13,767**	**(180,353)**	**(214,757)**
Fund balances (deficits) at April 1, 1989, as restated	(4,556,746)	1,059,036	1,691,774	(161,450)	4,109,330
Fund balances (deficits) at March 31, 1990	**$ (5,230,217)**	**$ 726,166**	**$ 1,705,541**	**$ (341,803)**	**$ 3,894,573**

See accompanying notes to financial statements.

Combined Statement of Cash Receipts and Disbursements Budgetary Basis—Financial Plan and Actual

EXHIBIT C

GOVERNMENTAL FUND TYPES

Year Ended March 31, 1990
(Amounts in thousands)

	General			Special Revenue		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	$ 27,821,000	$ 27,291,800	$ (529,200)	$ 671,000	$ 677,300	$ 6,300
Miscellaneous	1,417,000	1,387,900	(29,100)	2,892,000	2,532,200	(359,800)
Federal grants	–	5,900	5,900	10,173,000	10,378,000	205,000
Total receipts	**29,238,000**	**28,685,600**	**(552,400)**	**13,736,000**	**13,587,500**	**(148,500)**
DISBURSEMENTS:						
Grants to local governments	19,340,000	18,881,900	458,100	10,952,000	11,062,900	(110,900)
Departmental operations	6,825,000	6,853,600	(28,600)	3,807,000	3,792,000	15,000
General state charges	1,766,000	1,860,500	(94,500)	199,000	183,500	15,500
Debt service	291,000	289,300	1,700	–	–	–
Capital projects	–	–	–	–	100	(100)
Total disbursements	**28,222,000**	**27,885,300**	**336,700**	**14,958,000**	**15,038,500**	**(80,500)**
Excess (deficiency) of receipts over disbursements	**1,016,000**	**800,300**	**(215,700)**	**(1,222,000)**	**(1,451,000)**	**(229,000)**
OTHER FINANCING SOURCES (USES):						
Bond and note proceeds, net	665,000	775,000	110,000	–	–	–
Redemption of STIP notes	(460,000)	(460,000)	–	244,000	243,600	(400)
Transfers from other funds	195,000	229,200	34,200	2,462,000	2,455,700	(6,300)
Transfers to other funds	(1,416,000)	(1,344,500)	71,500	(1,333,000)	(1,457,200)	(124,200)
Net other financing sources (uses)	**(1,016,000)**	**(800,300)**	**215,700**	**1,373,000**	**1,242,100**	**(130,900)**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	$ –	$ –	$ –	$ 151,000	$ (208,900)	$ (359,900)

See accompanying notes to financial statements.

Combined Statement of Cash Receipts and Disbursements Budgetary Basis—Financial Plan and Actual (cont'd)

EXHIBIT C

GOVERNMENTAL FUND TYPES

Year Ended March 31, 1990
(Amounts in thousands)

	Debt Service			Capital Projects		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	$ 34,000	$ 33,100	$ (900)	$ –	$ –	$ –
Miscellaneous	1,513,000	1,527,300	14,300	660,000	451,100	(208,900)
Federal grants	2,000	1,700	(300)	773,000	618,600	(154,400)
Total receipts	**1,549,000**	**1,562,100**	**13,100**	**1,433,000**	**1,069,700**	**(363,300)**
DISBURSEMENTS:						
Grants to local governments	–	–	–	–	–	–
Departmental operations	–	–	–	6,000	5,100	900
General state charges	–	–	–	–	500	(500)
Debt service	1,025,000	1,032,000	(7,000)	–	–	–
Capital projects	–	–	–	2,762,000	2,400,100	361,900
Total disbursements	**1,025,000**	**1,032,000**	**(7,000)**	**2,768,000**	**2,405,700**	**362,300**
Excess (deficiency) of receipts over disbursements	**524,000**	**530,100**	**6,100**	**(1,335,000)**	**(1,336,000)**	**(1,000)**
OTHER FINANCING SOURCES (USES):						
Bond and note proceeds, net	–	–	–	653,000	608,200	(44,800)
Redemption of STIP notes	29,000	29,400	400	24,000	24,100	100
Transfers from other funds	1,647,000	1,614,700	(32,300)	719,000	768,400	49,400
Transfers to other funds	(2,265,000)	(2,227,000)	38,000	(44,000)	(43,300)	700
Net other financing sources (uses)	**(589,000)**	**(582,900)**	**6,100**	**1,352,000**	**1,357,400**	**5,400**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ (65,000)**	**$ (52,800)**	**$ 12,200**	**$ 17,000**	**$ 21,400**	**$ 4,400**

See accompanying notes to financial statements.

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances

EXHIBIT D

NONEXPENDABLE TRUST FUNDS,
STATE AND LOCAL RETIREMENT SYSTEM
AND PUBLIC BENEFIT CORPORATIONS

Year Ended March 31, 1990
(Amounts in thousands)

	Fiduciary Fund Types		Proprietary Fund Type
	Nonexpendable Trust	State and Local Retirement System	Public Benefit Corporations
OPERATING REVENUES:			
Charges for services	$ –	$ –	$ 5,148,893
Financing income	–	–	1,045,890
Investment earnings	–	5,265,670	712,089
Contributions to retirement system	–	768,883	–
Miscellaneous	96,239	–	317,439
Total operating revenues	**96,239**	**6,034,553**	**7,224,311**
OPERATING EXPENSES:			
Operations	38,062	34,035	8,272,529
Depreciation and amortization	–	–	317,281
Interest	–	–	1,127,104
Retirement benefits	–	1,721,185	–
Total operating expenses	**38,062**	**1,755,220**	**9,716,914**
Operating income (loss)	**58,177**	**4,279,333**	**(2,492,603)**
NONOPERATING REVENUES (EXPENSES):			
Non-State subsidies and grants	1,100	–	1,483,661
Interest revenues	–	–	241,967
Interest expenses	–	–	(435,509)
Other, net	–	–	140,756
Net nonoperating revenues (expenses)	**1,100**	**–**	**1,430,875**
Income (loss) before operating transfers	**59,277**	**4,279,333**	**(1,061,728)**
Operating transfers from other funds	4,981	–	1,201,925
Operating transfers to other funds	–	–	(388,704)
Net income (loss)	**64,258**	**4,279,333**	**(248,507)**
Retained earnings/fund balances at beginning of year, as restated	**315,814**	**42,867,529**	**1,088,359**
Retained earnings/fund balances at end of year	**$ 380,072**	**$ 47,146,862**	**$ 839,852**

See accompanying notes to financial statements.

Combined Statement of Changes in Financial Position

EXHIBIT E

NONEXPENDABLE TRUST FUNDS,
STATE AND LOCAL RETIREMENT SYSTEM
AND PUBLIC BENEFIT CORPORATIONS

Year Ended March 31, 1990
(Amounts in thousands)

	Fiduciary Fund Types		Proprietary Fund Type
	Nonexpendable Trust	State and Local Retirement System	Public Benefit Corporations
SOURCES OF CASH AND INVESTMENTS:			
Operations:			
Net income (loss)	$ 64,258	$ 4,279,333	$ (248,507)
Items not requiring (providing) cash and investments:			
Depreciation and amortization	–	–	317,281
Other	–	–	203,695
Total sources of cash and investments from operations	**64,258**	**4,279,333**	**272,469**
Proceeds from issuance of bonds	–	–	3,452,741
Proceeds from issuance of notes	–	–	89,373
Principal collections on loans and leases receivables	–	–	782,835
Capital contributions	–	–	1,344,430
Increase in accounts payable	234	–	5,141
Increase in pension contributions payable	–	–	9
Increase in accrued liabilities	143	103,082	680,585
Proceeds from other long-term liabilities	–	–	99,214
Decrease in other receivables	229	525,769	170,783
Decrease in other assets	–	443	147,449
Other	1,825	–	250,243
Total cash and investments provided	**66,689**	**4,908,627**	**7,295,272**
USES OF CASH AND INVESTMENTS:			
Acquisition of fixed assets	–	–	2,282,835
Repayment of bonds	–	–	1,127,657
Repayment of notes	–	–	126,673
Decrease in accrued liabilities	22	–	66,996
Repayment of other long-term liabilities	–	–	44,017
Decrease in accounts payable	1,648	–	35,777
Loans and leases receivable advanced	–	–	1,769,597
Increase in other receivables	5,386	–	275,691
Increase in due from other funds	929	–	–
Increase in other assets	–	–	33,955
Decrease in pension contributions payable	–	–	37,985
Net increase in retirement system investments	–	4,908,627	–
Other	44	–	9,718
Total cash and investments used	**8,029**	**4,908,627**	**5,810,901**
Net increase in cash and investments	58,660	–	1,484,371
Cash and investments at beginning of year, as restated	193,352	–	13,190,549
Cash and investments at end of year	**$ 252,012**	**$ –**	**$ 14,674,920**

See accompanying notes to financial statements.

Notes to Financial Statements

March 31, 1990

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying general purpose financial statements of the State of New York (the "State") have been prepared in conformance with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the primary standard-setting body for establishing governmental accounting and financial reporting principles.

The general purpose financial statements have been prepared primarily from accounts maintained by the State Comptroller. Additional data has been derived from reports prescribed by the State Comptroller and prepared by State departments, agencies, public benefit corporations and other entities based on independent or subsidiary accounting systems maintained by them.

a. Reporting Entity

The general purpose financial statements include all funds and account groups of the State as well as agencies, boards, commissions, public benefit corporations and other organizational entities for which the State has oversight responsibility, and are consequently determined to be included in the State's financial reporting entity.

The decision to include a potential component unit in the State's reporting entity was made by applying the criteria set forth in GAAP. The primary criterion for including a component unit is the State's ability to exercise oversight responsibility which includes selection of governing authority, accountability for fiscal matters, designation of management and the ability to influence operations. Based on the application of these criteria, the following is a brief review of certain potential component units addressed in defining the State's reporting entity.

Included within the reporting entity:

State and Local Retirement System. The State and Local Retirement System was established by State statute with the State Comptroller designated as sole trustee and administrative head of the System. The System's costs, based upon actuarial valuations, are funded by the State, participating governmental employers and participants. The State is authorized to establish benefit levels and to approve the actuarial assumptions used in determining contribution levels.

Public Benefit Corporations. The Public Benefit Corporations listed in Note 16 were established by State statute. The Governor, with the approval of the State Senate, appoints most members of the Board of most corporations and either the Governor or the board selects the chairman and chief operating officer. Corporations generally submit annual reports to the Governor, the Legislature and the State Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Corporations also submit to the Governor and the Legislature annual budget information on operations and capital construction. The State Comptroller is empowered to conduct financial and management audits of the corporations. Financial assistance was provided in the fiscal year ended March 31, 1990 to certain corporations and such assistance is expected to be required in future years. Accordingly, the fiscal condition of the State is related to the fiscal stability of public benefit corporations.

Excluded from the reporting entity:

New York State Teachers' Retirement System. The New York State Teachers' Retirement System was established by State statute. Members appointed to the Board by the State do not maintain a significant relationship with the State. The Board is fully accountable for all fiscal matters such as establishing the annual operating budget, operating deficiencies and surpluses, and incurring debt. In addition, the System retains title to all assets.

Municipal Assistance Corporation for the City of New York. The Municipal Assistance Corporation for the City of New York was established by State statute to assist the City in providing essential services to its inhabitants and to create investor confidence in the soundness of City obligations. Moreover, the statute creating the Corporation also empowers it with certain oversight of the City's financial activities. The activities of the Corporation are an integral component of City operations. Accordingly, the Corporation has been determined to be and is reported as a component unit of the City of New York's reporting entity.

United Nations Development Corporation. The United Nations Development Corporation was established by State statute. The Board of Directors are appointed by the Governor and the Mayor of the City of New York. The State does not provide funding to the Corporation. The State does not hold title to any of the Corporation's assets, nor does it have any right to the Corporation's surpluses.

Community Colleges. Community colleges, which are sanctioned by both the State University and City University of New York, are sponsored locally in accordance with State statute. Community colleges have been determined to be and are reported as component units of the local sponsoring governments.

b. Fund Accounting

The State uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The State records its transactions in the fund types and account groups described below. Transactions between funds within a fund type, if any, have been eliminated.

Governmental Fund Types:

General—is the general operating fund of the State and is used to account for all financial transactions except those required to be accounted for in another fund. The routine operations of the State University of New York (SUNY) and City University of New York (CUNY) senior colleges are included in the General Fund (CUNY based on its June 30, 1989 fiscal year). In fiscal year 1989-90, the statutory colleges at Cornell and CUNY restricted funds are included.

Special Revenue—is used to account for the proceeds of specific revenue sources (other than debt service, expendable trust or major capital projects) such as Federal grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed by either the State Legislature or outside parties.

Debt Service—is used to account for the accumulation of resources for, and the payment of, principal, interest, and related costs of general long-term obligations. Debt service related activities of the SUNY and CUNY Construction Funds and the Facilities Development Corporation are included in the Debt Service Funds. (CUNY Construction Fund is based on its June 30, 1989 fiscal year.)

Capital Projects—is used to account for the financial resources used for acquisition or construction of major state-owned capital facilities and for capital assistance grants to local governments.

Account Groups:

General Fixed Assets Account Group—is used to account for general fixed assets of the State exclusive of assets held by public benefit corporations.

General Long-term Obligations Account Group—is used to account for long-term obligations of the State including bonds, most obligations under lease/purchase and other financing arrangements, certain pension contributions and other long-term obligations exclusive of liabilities of public benefit corporations.

Fiduciary Fund Types:

Fiduciary Funds include Expendable and Nonexpendable Trust Funds, Agency Funds and the State and Local Retirement System. The Expendable and Nonexpendable Trust Funds and Agency Funds are used to account for assets held by the State in a trustee capacity (e.g., endowments, pensions and student loans) or as an agent for individuals, private organizations and other governments. The accounts of the State and Local Retirement System are derived from their annual financial statements for the year ended March 31, 1990. Additional information about the System is provided in Note 15.

Proprietary Fund Type—Public Benefit Corporations:

The accounts of public benefit corporations, public authorities, private not-for-profit corporations and similar entities (hereinafter called public benefit corporations) in the accompanying general purpose financial statements are derived from the most recently issued annual financial statements and are presented as the Proprietary Fund Type. The inclusion of these entities in the State's general purpose financial statements reflects the oversight role exercised by the State, but does not affect their separate legal standing. Additional information about Public Benefit Corporations is provided in Note 16.

c. Basis of Accounting

Governmental Fund Types and Expendable Trust Funds are accounted for on the modified accrual basis of accounting. Revenues and related receivables are recorded in the accounting period that they become both measurable and available, i.e., earned and collected or expected to be collected within the next 12 months. Tax revenues are recorded by the State as taxpayers earn income (personal income, general business and other taxes), as sales are made (consumption and use taxes) and as the taxable event occurs (miscellaneous taxes), net of estimated overpayments (refunds). Receivables not expected to be collected within the next 12 months are recorded as deferred revenues. Expenditures and related liabilities are recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next 12 months, except for vacation leave and interest on general long-term obligations which are recorded when paid and certain pension contributions. The portion of the liabilities which are expected to be paid beyond 12 months is recorded in the General Long-term Obligations Account Group except for certain lease/purchase arrangements (see Note 9) and certain pension contributions which are being paid over the next 13 years (see Note 15).

Nonexpendable Trust Funds, the State and Local Retirement System and Public Benefit Corporations are accounted for on the accrual basis. Agency Funds are custodial in nature (assets equal liabilities) and generally are accounted for on the cash basis which approximates the modified accrual basis of accounting.

d. Cash and Investments

Cash balances of funds held in the State Treasury are commingled in a general checking account and several special purpose bank accounts. The available cash balance in the general checking account beyond immediate need is pooled for short-term investment purposes. The balances pooled are limited to legally stipulated investments which are reported at cost which approximates market value. Included in cash and investments are non-interest-bearing compensating balances of $205 million. Cash balances not held in the State Treasury and controlled by various State officials are generally deposited in interest-bearing accounts or other legally stipulated investments (see Note 2).

e. Receivables

Receivables are stated net of estimated allowances for uncollectible amounts, which are determined based upon past collection experience and current economic conditions. Due from Federal government represents amounts owed to the State to reimburse it for expenditures incurred pursuant to federally funded programs. Other receivables represent amounts owed to the State, including lottery revenues, tuition and fees, student loans and patient fees of SUNY and Health Department hospitals and various Mental Hygiene facilities.

f. Marketable Securities Held in Lieu of Retainage

The State Comptroller is authorized to accept and hold certain securities from contractors as collateral in lieu of retainage. These securities are reported at market value and are held in trust by the State Comptroller until satisfactory completion of the contract. Interest earned on these securities accrues to the contractors.

g. General Fixed Assets

The State reports general fixed assets, consisting of: (1) land in urban centers, rural areas, and forest preserves; (2) land improvements; (3) buildings which house State offices, hospitals and educational facilities; (4) equipment used in construction work, hospitals, offices, etc. and (5) construction in progress. Fixed assets in the General Fixed Assets Account Group are reported at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The State capitalizes equipment which has a cost in excess of $15 thousand at the date of acquisition and has an expected useful life of two or more years. All initial building costs and land are capitalized. Land improvements in excess of $100 thousand are capitalized. Building improvements and renovations in excess of $100 thousand are capitalized if 75% of the useful life of the component has expired and if the useful life of the asset has been extended as a result of the renovation or the improvement has a useful life of two or more years. Interest incurred during construction is not capitalized. General fixed assets are not depreciated. Infrastructure (e.g., roads, bridges, dams, canals, etc.) is not reported in the general purpose financial statements.

h. Long-term Obligations

The liabilities reported in the General Long-term Obligations Account Group include the State's general obligation bonds, most obligations under lease/purchase and other financing arrangements, certain pension contributions and other long-term liabilities including vacation leave, litigation, disallowances, Medicaid (State and Federal share), workers' compensation and other health insurance related liabilities pertaining to the governmental funds.

i. Compensated Absences

The State records vacation leave as an expenditure when paid. The estimated liability at March 31, 1990 of $639 million increased by $66 million over the liability for last year and is reported in the General Long-term Obligations Account Group. Employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 25 days a year, but may accumulate no more than a maximum of 40 days. Employees also earn sick leave credits which are recorded as an expenditure when paid. Sick leave accruals can be applied toward the cost of health insurance at retirement. However, such credits generally do not vest; accordingly, the estimated contingent liability of $1.7 billion is not reported in the accompanying general purpose financial statements.

j. Lease Accounting

The construction of certain State office buildings, campus facilities, and other public facilities has been financed through bonds and notes issued by public benefit corporations or local governments pursuant to lease/purchase agreements with the State (see Note 9).

These lease/purchase contracts are capital leases for which the State's rental payments over the duration of the agreements constitute long-term liabilities. The amount included in obligations under lease/purchase and other financing arrangements consists of total future principal payments and equals the outstanding balance of the related bonds and notes.

k. State Lottery

The State Lottery is accounted for within two funds. The revenues, administrative costs, aid to education and the expenditures for amounts allocated to prizes are reported in a Special Revenue Fund. Uncollected ticket sales at March 31, 1990 are accrued. Monies allocated to prizes are accumulated in an Agency Fund to be distributed at the appropriate time. Such monies are invested in United States goverr ment backed obligations which

are recorded at amortized cost. Lottery long-term prize liabilities are recorded in the Agency Fund at a discounted value equivalent to the related investments. At March 31, 1990, the prize liabilities of approximately $1.783 billion were reported at a discounted value of approximately $890 million (at interest rates of 6.28% to 13.55%).

l. Reservations of Fund Balance

Net Retirement System Assets Available for Benefits
Net retirement system assets available for benefits represents the State and Local Retirement System assets available to finance future benefit obligations (see Note 15).

Encumbrances
Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the General Fund, Special Revenue Funds and Capital Projects Funds. The cost of construction contract commitments generally is recorded as an encumbrance of Capital Projects Funds and is presented as a reserve for encumbrances. These committed amounts generally will become liabilities in future periods as the construction work is performed by the contractors. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Unemployment Benefits
Fund balance reserved for unemployment benefits represents assets available to fund future unemployment benefit payments.

Debt Service
Fund balance reserved for debt service represents assets available to finance future debt service payments.

Education Accumulation
For the 1989-90 fiscal year, the State reserved $642 million to provide an offset for the liability for education aid (see Note 6). These funds are available for payment of accrued education aid during the first quarter of the 1990-91 fiscal year.

Infrastructure Trust
Pursuant to law, certain receipts of personal income taxes applicable to the 1986 calendar year which were received through December 31, 1987 are reserved for future use based upon legislative authorization. The Legislature enacted legislation authorizing the use of these assets to help finance the shortfall in 1989-90 General Fund revenues. Such use of these assets is subject to repayment as defined in the legislation. The minimum amount to be repaid is $273 million.

Tax Stabilization
Pursuant to law, receipts in excess of disbursements of the Local Assistance and State Purposes Accounts not otherwise appropriated are required to be transferred to the Tax Stabilization Reserve Fund at the end of each fiscal year. These amounts may be borrowed by these two accounts temporarily and repaid within the same fiscal year. They may also be borrowed to cover an operating deficit at year-end. Generally, these loans must be repaid within six years in no less than three equal annual installments. The amount reported represents $201 million of unpaid accumulated borrowings as of March 31, 1990.

Other Specified Purposes
The amount of fund balance reserved for other specified purposes represents the net amount of appropriated loans receivable (see Note 4) and amounts available to fund various fiduciary arrangements.

m. Post-retirement Benefits

In addition to providing pension benefits, the State provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the State's employees may become eligible for these benefits if they reach normal retirement age while working for the State. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The State recognizes the cost of providing health insurance by recording its share of insurance premiums ($245 million for 85,180 retirees and their dependents) as an expenditure in the General Fund in the year paid. Additionally, the survivor's benefit program provides for a death benefit to be paid by the State to a retiree's designated beneficiary. During the year, $7.5 million was paid on behalf of 2,490 retirees and recorded as an expenditure in the General Fund.

n. Deferred Compensation

The State and other participating public jurisdictions offer their employees a Deferred Compensation Plan (Plan) created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all employees, permits participants to defer a portion of their salary until future years. Amounts deferred under the Plan are not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the Plan, all property and rights purchased with the amounts, and all income attributable to these amounts are solely the property and rights of the employer, subject only to the claims of the employer's general creditors. Participants' rights under the Plan are equal to those of general creditors of the employer in an amount equal to the fair market value of the deferred account of each participant. The State has no liability for losses under the

Plan but does have the duty of due care that would be required of an ordinary prudent investor. The State believes it is unlikely that Plan assets will be used to satisfy future claims of general creditors. Of the $564 million in the Plan at March 31, 1990 (reported within the sole custody Agency Funds), $463 million was applicable to the State while the remaining $101 million represents the assets of the other jurisdictions participating in the Plan.

o. Deficit Fund Balances

In addition to the General Fund, as of March 31, 1990, fund deficits were also reported in the State Housing Debt Fund ($9 million), the Lottery Fund ($1 million), the State Capital Projects Fund ($18 million), the Transportation Infrastructure Renewal Bond Fund ($165 million), the Accelerated Capacity and Transportation Improvement Bond Fund ($2 million), the Mental Hygiene Capital Improvement Fund ($96 million), the Correctional Facilities Capital Improvement Fund ($73 million) and other miscellaneous Capital Projects Fund ($41 million).

p. Restatement

The presentation of certain financial transactions differs from the presentation of such items in 1989. Within the Fiduciary Fund Types certain funds which were previously reported as Agency Funds are now reported as Expendable Trust Funds and result in a restatement of the April 1, 1989 fund balance for Expendable Trust Funds. The related fund balances have been reported as reserved for other specified purposes.

	Expendable Trust Funds (amounts in thousands)
Fund balance at beginning of year, as previously reported	$ 3,792,550
Restatement	316,780
Fund balance at beginning of year, as restated	**$ 4,109,330**

CASH AND INVESTMENTS

Custodians are authorized by various statutes to deposit funds in checking accounts or interest-bearing accounts including certificates of deposit. Legally authorized investments vary by fund but generally include: Obligations of or guaranteed by the United States; obligations of New York State and its political subdivisions; and repurchase agreements.

Information on cash and investments of the State and Local Retirement System is presented in Note 15 and of Public Benefit Corporations (before eliminations) in Note 16.

Cash

The State maintains approximately 3,000 bank accounts for various purposes at locations throughout the State. Bank deposits may be under the joint custody of the State Comptroller and the Commissioner of Taxation and Finance or under the sole custody of a specified State official. Both the State Comptroller and the Commissioner of Taxation and Finance are also sole custodians of certain accounts. Cash balances not required for immediate use are invested either through a short-term investment pool (STIP) administered by the State Comptroller or by the fund custodian.

For demand or checking accounts, the State requires that its depository banks pledge collateral based on average daily available bank balances. All securities pledged as collateral are held by the State's fiscal agent in the name of the State. The State's deposits with financial institutions were fully collateralized at fiscal year-end. The use of average daily available balances to determine collateral requirements results in the available balances being undercollateralized at various times during the fiscal year. The State's cash management policy is to invest all major revenues as soon as the moneys are available within the banking system which limits undercollateralization.

Investments

The State holds investments both for its own benefit and as an agent for other parties. Major investment programs conducted for the direct benefit of the State include STIP which is used for the temporary investment of funds not required for immediate payments, sole custody funds administered by the Department of Taxation and Finance, and funds of the Division of the Lottery.

The following table presents the carrying amount and market value of investments by type and categorizes the carrying amounts as follows: Category 1 are those which are insured or registered, or held by New York State or its agent in the State's name and Category 2 are those which are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the State's name (amounts in thousands):

	Category 1	Category 2	Carrying Amount	Market Value
Repurchase agreements	$ 3,711,898	$ 33,361	$ 3,745,259	$ 3,745,259
Government securities	782,994	1,253,240	2,036,234	2,099,072
Corporate bonds	3,783	128,191	131,974	132,057
Equity securities	109,936	–	109,936	114,664
Other	373,516	23,660	397,176	398,604
Total	**$ 4,982,127**	**$ 1,438,452**	**$ 6,420,579**	**$ 6,489,656**

Disclosures relating to risk and type of investment as presented above are indicative of activity and positions held during the year.

Also included in the accompanying general purpose financial statements are securities which either were not acquired for investment purposes or cannot be categorized. The State Deferred Compensation Plan invests in various mutual funds at the direction of the participants. These investments had a carrying amount and market value of $564 million at March 31, 1990. SUNY and CUNY endowment funds and the trustees of certificates of participation also had investments in investment pools and mutual funds with a carrying amount and market value of $118 million at March 31, 1990. Employers seeking self-insurer status for workers' compensation purposes may deposit securities specified by Section 235 of the New York State Banking Law with the chairman of the Workers' Compensation Board. The State holds these securities (carrying amount $171 million, which approximates market) only as an agent for the employers. Securities which are unclaimed at financial institutions are transferred periodically to the State and are held temporarily by the State until they can be liquidated. The securities or proceeds can be claimed by the owners under established procedures (see Note 12). These securities have a carrying amount and market value of $7 million at March 31, 1990. The State also holds cash and securities deposited by contractors in lieu of retainage on contract payments (carrying amount and market value of $75 million). In addition, the State has approximately $2.8 billion on deposit with the United States Government. These funds represent unemployment insurance taxes collected from New York State employers which are transferred daily to the Federal Unemployment Insurance Fund in the United States Treasury.

TAXES RECEIVABLE AND TAX REFUNDS PAYABLE

Taxes Receivable

Taxes receivable represent amounts owed by taxpayers for the 1989 calendar year and the first quarter of the 1990 calendar year, including assessments for underpayments, penalties and interest. Taxes receivable are accrued when they become both measurable and available based on actual collections or estimates of amounts to be collected during the next 12 months.

Personal income tax (PIT) revenues are reported by the State as income is earned by the taxpayers. The primary components of the PIT receivable are the estimated and withholding payments which relate to the first quarter of the 1990 calendar year, payments with final returns which relate to the 1989 calendar year, and assessments which relate to prior tax periods.

Consumption and use tax revenues are reported by the State in the fiscal period when the sale is made. The principal component of this receivable is sales tax receivables which include sales tax due through March 31, 1990 and assessments.

General business tax revenues are reported by the State as businesses earn income. General business tax receivables are comprised of estimated tax payments, payments remitted with final returns, and assessments.

Unemployment tax receivables represent taxes on payrolls incurred by employers prior to April 1, 1990 and received by the State after March 31, 1990.

Taxes receivable at March 31, 1990 are summarized as follows (amounts in thousands):

	General	Special Revenue	Trust and Agency
Personal income	$ 2,873,930	$ –	$ –
Consumption and use	541,544	11,706	–
General business	120,174	49,920	–
Unemployment	–	–	527,668
Other	361,262	–	–
Total	**$ 3,896,910**	**$ 61,626**	**$ 527,668**

Tax Refunds Payable

Tax refunds payable primarily represent amounts owed to taxpayers because of overpayments of their 1989 calendar year and first quarter 1990 calendar year tax liabilities. Tax refunds payable, which reduce respective tax revenues, are accrued to the extent they are measurable based on payments and estimates.

The amount of PIT refunds payable is comprised of estimates of overpayments of the first calendar quarter (1990) tax liability and payments of 1989 calendar and prior year refunds. The remaining portion of tax refunds payable is comprised of payments made subsequent to the end of the fiscal year and estimates of the refund liability.

Tax refunds payable at March 31, 1990 are summarized as follows (amounts in thousands):

	General	Special Revenue
Personal income	$ 2,140,277	$ –
Consumption and use	12,842	206
General business	482,107	7,134
Other	7,020	–
Total	**$ 2,642,246**	**$ 7,340**

OTHER RECEIVABLES

Other receivables at March 31, 1990 are summarized as follows (amounts in thousands):

	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
Miscellaneous receivables:					
Lottery	$ –	$ 28,496	$ –	$ –	$ –
Tuition and fees	–	–	6,550	–	–
Patient fees	–	–	580,019	–	–
Student loans	–	–	–	–	160,864
Employers' and employees' contributions	–	–	–	–	1,622,168
Other	175,499	31,880	123,960	4,159	950,275
	175,499	**60,376**	**710,529**	**4,159**	**2,733,307**
Allowance for uncollectibles	(2,391)	(3,737)	(285,714)	(147)	(33,383)
	173,108	**56,639**	**424,815**	**4,012**	**2,699,924**
Appropriated loans:					
Assessments	59,795	–	–	35,155	–
Due from local governments	5,032	–	–	6,713	–
Due from public benefit corporations	58,531	–	–	716,554	–
	123,358	**–**	**–**	**758,422**	**–**
Allowance for uncollectibles	(52,655)	–	–	(709,056)	–
	70,703	**–**	**–**	**49,366**	**–**
Total	**$ 243,811**	**$ 56,639**	**$ 424,815**	**$ 53,378**	**$ 2,699,924**

Appropriated loans represent monies appropriated in the form of loans or advances from the General Fund to finance agency or public benefit corporations' operations, or from various Capital Projects Funds to finance construction or debt service of public benefit corporations or local governments. The underlying appropriation bills provide that amounts will be repaid pursuant to repayment agreements with public benefit corporations or local governments. The loans are reported net of estimated uncollectible amounts and as a reservation of fund balance.

GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets for the year ended March 31, 1990 (amounts in thousands):

Classes	Balance April 1, 1989	Additions	Deletions	Balance March 31, 1990
Land	$ 607,100	$ 94,233	$ 1,548	**$ 699,785**
Land improvements	267,149	10,869	7,553	**270,465**
Buildings	6,972,899	592,609	10,394	**7,555,114**
Equipment	744,700	163,013	65,432	**842,281**
	8,591,848	**$ 860,724**	**$ 84,927**	**9,367,645**
Construction in progress	562,409			**641,387**
Total	**$ 9,154,257**			**$ 10,009,032**

PAYABLE TO LOCAL GOVERNMENTS

Governmental Fund Types

At March 31, 1990, the State was liable to various municipalities and school districts for unpaid State aid for education ($2.646 billion) and other purposes ($2.611 billion). The liability for aid to education represents amounts earned by school districts ratably over the school districts' fiscal year in excess of amounts paid prior to March 31, 1990. This liability was appropriated by the State Legislature for payment during April, May and June of 1990. The need to liquidate this liability within the first three months of the ensuing fiscal year contributes significantly to the State's short-term borrowing needs each spring (see Note 7).

Trust and Agency Funds

At March 31, 1990, the State, in its fiduciary capacity to collect the local share of sales tax revenues and various escrow funds, reported liabilities of $1.309 billion to various local governments.

SHORT-TERM FINANCING

Notes, including commercial paper and bond anticipation notes, are issued by the State in anticipation of the proceeds of voter-authorized bond issues. Notes may be issued for a term not exceeding two years. The notes may be redeemed only from the proceeds of permanent bonds or reissued notes. Notes outstanding at March 31, 1990 were issued at rates of 4.85% to 5.85% in the form of commercial paper.

Changes in Capital Projects Fund notes during the year (not including renewals) were as follows (amounts in thousands):

Purpose	Outstanding April 1, 1989	Issued	Redeemed	Outstanding March 31, 1990
Environmental quality land acquisition	$ –	$ 4,000	$ –	$ 4,000
Environmental quality protection:				
Air	–	3,150	–	3,150
Land	–	2,000	–	2,000
Water	8,000	–	–	8,000
Accelerated capacity and transportation improvements	22,600	9,250	–	31,850
Rebuild New York–transporation renewal:				
Highways, parkways and bridges	262,400	–	70,000	192,400
Ports and waterways	–	600	–	600
Total	**$ 293,000**	**$ 19,000**	**$ 70,000**	**$ 242,000**

In March 1990, the State issued tax and revenue anticipation notes of $775 million. The notes carry an interest rate of 6.75% and mature on December 28, 1990. The notes are considered general obligations of the State and have the full faith and credit of the State. The principal and interest will be paid from taxes and miscellaneous revenues of the General Fund. The State Comptroller is required by statute to impound sufficient funds in a separate bank account to pay principal and interest on the notes at maturity.

The State also issues tax and revenue anticipation notes in bearer form annually, soon after the beginning of each fiscal year. These notes are issued primarily because the State makes almost one-half of its payments of grants to local governments and a substantial portion of the personal income tax refunds during the first quarter of the fiscal year while tax and other revenues are received more ratably over the fiscal year.

In June 1990, the State issued such notes in the aggregate amount of $4.1 billion. The notes were issued at an interest rate of 6.6% and are payable on March 28, 1991. The notes are general obligations of the State and have the full faith and credit of the State. The principal and interest will be paid from taxes and miscellaneous revenues of the General Fund. The State Comptroller is required by statute to impound sufficient funds in a separate bank account to pay principal and interest on the notes at maturity. Similarly, tax and revenue anticipation notes of $3.9 billion were issued in May 1989 and repaid by March 31, 1990. In June 1990, the Legislature enacted fiscal reform legislation which includes a requirement to reduce the annual sale of the above notes. This will be accomplished by selling long-term debt as a substitute for the annual sale of these notes.

BONDS PAYABLE

General obligation bonds are backed by the full faith and credit of the State and must be repaid in equal annual installments beginning not more than one year after issuance of such bonds. Changes for the year were as follows (amounts in thousands):

Purpose	Outstanding April 1, 1989	Issued	Redeemed	Outstanding March 31, 1990
Accelerated capacity and transportation improvements (6.3%-9.5%)	$ –	$ 217,850	$ –	$ 217,850
Environmental quality land acquisition (6.75%-9.5%)	32,000	63,800	1,600	94,200
Solid waste management (6.1%-9.0%)	–	40,000	–	40,000
Environmental quality protection:				
Air (5.5%-12.5%)	37,040	600	5,020	32,620
Land (4.0%-12.5%)	182,040	6,240	11,840	176,440
Wetlands (5.5%-6.0%)	934	–	231	703
Water (3.75%-12.5%)	337,956	46,500	18,219	366,237
Higher education (2.0%-6.5%)	79,480	–	5,800	73,680
Housing:				
Low cost (1.0%-7.0%)	389,602	–	19,054	370,548
Middle income (3.25%-7.0%)	112,951	–	2,280	110,671
Urban renewal (5.6%-9.0%)	7,895	–	505	7,390
Outdoor recreation development (3.0%-12.5%)	53,395	–	8,640	44,755
Parks and recreation land acquisition (5.0%-12.5%)	6,520	–	955	5,565
Pure waters (2.0%-12.5%)	508,235	23,400	30,280	501,355
Rail preservation (4.0%-12.5%)	175,075	–	9,805	165,270
Transportation capital facilities:				
Highways (2.0%-6.1%)	194,500	–	54,750	139,750
Mass transportation (2.0%-12.5%)	552,355	–	34,495	517,860
Aviation (3.0%-12.5%)	125,520	8,150	7,555	126,115
Energy conservation through improved transportation (6.0%-12.5%)	330,145	–	27,770	302,375
Rebuild New York–transportation renewal:				
Highways, parkways, bridges (5.1%-9.5%)	403,960	247,000	47,457	603,503
Ports, waterways (6.0%-9.0%)	29,540	–	2,380	27,160
Rapid transit, rail, aviation (6.0%-9.25%)	59,600	5,700	3,150	62,150
Total	**$ 3,618,743**	**$ 659,240**	**$ 291,786**	**$ 3,986,197**

Debt service expenditures related to general obligation bonds during the year were $531 million.

Debt service requirements for general obligation bonds in future years, which are financed by transfers from the General Fund, are as follows (amounts in thousands):

Fiscal Year	Principal	Interest	Total
1991	$ 337,736	$ 258,354	$ 596,090
1992	321,522	235,967	557,489
1993	302,144	215,104	517,248
1994	272,657	195,627	468,284
1995	265,131	177,999	443,130
Thereafter	2,487,007	1,237,193	3,724,200
Total	**$ 3,986,197**	**$ 2,320,244**	**$ 6,306,441**

The total amount of general obligation bonds authorized but not issued at March 31, 1990 was $4.756 billion.

During fiscal year 1986-87, the State issued $405 million of general obligation refunding bonds with interest rates of 5.90% to 12.00%. The bonds were issued to effect a crossover refunding through the redemption of an equal amount of certain maturities of existing general obligation bonds with interest rates of 8.00% to 12.00%. The proceeds of the refunding bonds have been placed in an escrow account to provide for the redemptions which will take place on six specific dates between 1990 and 1992. The State expects to reduce its debt service expenditures by approximately $73 million, having a present value discounted semiannually at a rate of interest equal to the yield of the bonds of approximately $32 million. Debt service expenditures related to general obligation refunding bonds during the year were $78 million.

Interest on the refunding bonds is paid from the escrow account until the refunded bonds are redeemed. The escrow funds ($356 million) are reported as a reservation of fund balance within the Debt Service Funds. The refunding bonds of $358 million are reported in the General Long-term Obligations Account Group as other long-term liabilities which represents a decrease of $47 million from the prior year.

OBLIGATIONS UNDER LEASE/ PURCHASE AND OTHER FINANCING ARRANGEMENTS

The State has entered into lease/purchase agreements with certain public benefit corporations, municipalities and other entities for various capital assets. Under these agreements, construction costs are initially paid by the State from appropriations (reported as capital construction expenditures in the Capital Projects Funds). These appropriations are then repaid to the State from the proceeds of bonds issued by the public benefit corporations or other entities (reported as proceeds from financing arrangements in the Capital Projects Funds). The State becomes the tenant of the facility under a lease/purchase agreement which provides for the payment of rentals sufficient to cover the related bond debt service and for the passage of title to the State after the bonds have been repaid.

The State has also entered into contractual obligation financing arrangements (also referred to as "service contract bonds") with the Metropolitan Transportation Authority ($1.329 billion) and the Urban Development Corporation ($139 million). The terms of these arrangements require the State to fund the debt service requirements of the specific debt issued by these entities. The public benefit corporations retain title to the assets acquired with the bond proceeds.

During the year, the State entered into various arrangements for the refinancing and purchase of equipment and real property through the issuance of certificates of participation. These certificates are issued through a trustee and the State is responsible for payments to the trustee that approximate the interest and principal payments made by the trustee to the certificate holders. The State maintains custody and use of the equipment and real property. However, title is held by the trustees as security for the certificate holders, until such time as the certificates are fully paid. Proceeds from the issuance of these certificates and the related capital construction expenditures are accounted for in essentially the same manner as lease/purchase agreements.

Changes for lease/purchase and other financing arrangements for the year were as follows (amounts in thousands):

	Outstanding April 1, 1989	Additions	Payments	Outstanding March 31, 1990
Public Benefit Corporations (see Note 16):				
Housing Finance Agency	$ 2,081,090	$ –	$ 1,618,210	$ 462,880
Dormitory Authority	1,523,755	2,200,818	27,370	3,697,203
Thruway Authority	126,660	–	15,280	111,380
Triborough Bridge and Tunnel Authority	419,360	–	6,765	412,595
Metropolitan Transportation Authority	1,341,780	–	12,770	1,329,010
Medical Care Facilities Finance Agency	768,631	192,460	14,675	946,416
Urban Development Corporation	971,892	209,408	13,366	1,167,934
Total PBCs	7,233,168	2,602,686	1,708,436	8,127,418
Other Entities:				
County of Albany	332,280	–	48,230	284,050
Other municipalities	18,910	–	3,100	15,810
Total PBCs and other entities	7,584,358	2,602,686	1,759,766	8,427,278
Certificates of Participation	638,159	90,085	68,511	659,733
Total	$ 8,222,517	$ 2,692,771	$ 1,828,277	$ 9,087,011

Debt service expenditures for the aforementioned obligations during the year were $780 million. These expenditures were financed primarily by the revenues reported in the Debt Service Funds, transfers of Medicaid monies from the Special Revenue Funds and transfers from the General Fund (see Note 10).

Certain of the underlying bond indentures require the maintenance of various reserves. Such amounts ($581 million) are reported as cash of the appropriate Debt Service Fund with a corresponding reservation of fund balance.

Following is a summary of the future minimum rental payments for lease/purchase and contractual obligations financing arrangements including interest at rates of 3.5% to 11.0% (amounts in thousands):

Fiscal Year	Principal	Interest	Total
1991	$ 153,186	$ 441,006	$ 594,192
1992	183,627	639,558	823,185
1993	221,655	557,904	779,559
1994	234,021	544,079	778,100
1995	247,620	529,273	776,893
Thereafter	7,387,169	7,427,952	14,815,121
Total	$ 8,427,278	$ 10,139,772	$ 18,567,050

Certain certificate of participation issues require the maintenance of a reserve. These amounts ($90 million) are reported as cash of the appropriate Debt Service Fund with a corresponding reservation of fund balance.

Debt service requirements for certificates of participation, which are financed by transfers from the General Fund, including interest at rates of 4.30% to 8.30%, are as follows (amounts in thousands):

Fiscal Year	Principal	Interest	Total
1991	$ 96,558	$ 42,816	$ 139,374
1992	93,804	36,812	130,616
1993	89,102	30,864	119,966
1994	79,447	24,929	104,376
1995	39,957	20,108	60,065
Thereafter	260,865	147,627	408,492
Total	$ 659,733	$ 303,156	$ 962,889

The State is also committed under numerous capital leases covering EDP and telecommunications equipment. Debt service expenditures for these obligations during the year were $37 million. The liability for the remaining principal of $81 million is reported in the General Long-term Obligations Account Group. Following is a summary of the principal and interest payments, which are financed by transfers from the General Fund, for the remaining lease periods of these capital leases (amounts in thousands):

Fiscal Year	Principal	Interest	Total
1991	$ 21,952	$ 2,477	$ 24,429
1992	17,592	1,748	19,340
1993	15,289	1,120	16,409
1994	11,338	515	11,853
1995	5,666	252	5,918
Thereafter	9,500	–	9,500
Total	$ 81,337	$ 6,112	$ 87,449

There were three refunding issues affecting lease/purchase and other financing arrangements during the fiscal year ended March 31, 1990. All three of these issues were completed by the Dormitory Authority. The refunded debt was originally offered by the Housing Finance Agency for State University Construction Fund debt. These refundings will allow the State to reduce its reserve requirements.

The first issue represented a $463 million refinancing by the Dormitory Authority. This refunding issue will increase the State's debt service payments by $313 million and results in an economic loss (present value) of $150 million.

The second issue represented a $676 million refinancing by the Dormitory Authority. This refunding issue will cause the State to increase its debt service payments by $660 million and results in an economic loss (present value) of $344 million.

The third issue represented a $589 million refinancing by the Dormitory Authority. This refunding issue will cause the State to increase its debt service payments by $148 million and results in an economic gain (present value) of $28 million.

Bonds underlying several lease/purchase and other financing arrangements have been the subject of advance refundings. The assets and liabilities relating to the refunded bonds are not reported in the accompanying general purpose financial statements. At March 31, 1990, approximately $3.9 billion of such bonds are outstanding.

In March 1989, the State refinanced certain lease/purchase agreement rental payments. The refinancing plan required the Urban Development Corporation to sell $123 million in capital appreciation bonds for the purpose of funding the next four semiannual lease payments which are normally funded by transfers from the General Fund to the Debt Service Funds. The bonds have sinking fund requirements which begin in 1998, maturity dates ranging from 1998 to 2011, interest rates

ranging from 7.5% to 8.1% and total payments amounting to $432 million. The liability relating to the outstanding principal balance and any accrued interest on the bonds is reported as other long-term liabilities within the General Fund.

The State is also committed under numerous operating leases covering real property and equipment. Rental expenditures reported for the year ended March 31, 1990 under such operating leases totaled $281 million and were financed primarily from the General Fund. Following is a summary of the future minimum rental commitments under noncancellable real property and equipment leases with terms exceeding one year (amounts in thousands):

Fiscal Year	
1991	$ 130,788
1992	121,098
1993	110,473
1994	93,810
1995	76,087
Thereafter	142,054
Total	**$ 674,310**

INTERFUND TRANSACTIONS

Operating Transfers

Operating transfers constitute the transfer of resources from the fund that receives the resources to the fund which utilizes them. The more significant transfers include the transfer of General Fund revenues to Capital Projects Funds ($543 million) and to Debt Service Funds ($662 million); and the transfer of excess revenues of Debt Service Funds to the General Fund in support of certain higher education, mental health and retardation expenditures ($2.217 billion) and in support of CUNY operations ($161 million). The latter transfers are made after first satisfying debt service and rental reserve requirements using revenues provided by tuition and patient fees. Operating transfers from Special Revenue Funds to Debt Service Funds represent the Federal share of Medicaid payments for recipients residing in State-operated mental health and retardation facilities ($952 million). In March 1990, a transfer of $230 million was made from the State Insurance Fund (SIF), included as a public benefit corporation (see Note 16), to the General Fund. The SIF reports on a calendar fiscal year basis and a transfer to the State of $250 million was reported by the SIF at December 31, 1989. This $250 million transfer was reported by the State at March 31, 1989. The SIF will report the $230 million transfer in its December 31, 1990 financial statements. The General Fund, Special Revenue Funds and Capital Projects Funds made operating transfers of $321 million, $864 million and $113 million, respectively, to subsidize the operations of and provide capital contributions to certain public benefit corporations. These amounts differ from operating transfers from other funds reported by Public Benefit Corporations because of the different fiscal years for certain public benefit corporations and the State and because certain operating transfers are reported as contributed capital by public benefit corporations.

Due From/To Other Funds

The following is a summary of due from other funds and due to other funds at March 31, 1990 (amounts in thousands):

Fund Type/Fund	Due From	Due To
GENERAL	**$ 105,239**	**$ 211,058**
SPECIAL REVENUE		
State Lottery	–	25,813
Federal DHHS	6,483	33,438
Federal Operating Grants	509	7,001
Mass Transportation Operating Assistance	323,184	–
Unemployment Insurance Administration	1,838	8,539
Other Special Revenue	2,781	6,802
	334,795	**81,593**
DEBT SERVICE		
State University Dormitory Income	2,279	114
State University Income	32,910	1,052
	35,189	**1,166**
CAPITAL PROJECTS		
State Capital Projects	1,019	5,123
Federal Capital Projects	1,644	25,061
DOT Engineering Services	–	35,068
Mental Hygiene Facilities Capital Improvement	–	86,064
Correctional Facilities Capital Improvement	–	46,718
Other Capital Projects	296	979
	2,959	**199,013**
TRUST AND AGENCY		
Lottery Prize	25,322	–
Fringe Benefit Escrow	75,522	15,666
Miscellaneous NYS Agency	13,167	57,812
SUNY Collection Fund	2,151	36,920
Other Trust and Agency	9,403	519
	125,565	**110,917**
Total	**$ 603,747**	**$ 603,747**

BUDGETARY BASIS REPORTING

The State Constitution requires the Governor to submit annually an Executive Budget which contains a complete plan for all funds of expenditures for the ensuing fiscal year and all monies and revenues estimated to be available. The Executive Budget is accompanied by bills containing all recommended appropriations or reappropriations and any proposed legislation necessary to provide monies and revenues sufficient to meet such proposed expenditures. Budgets are prepared and enacted for all governmental funds. Included in the proposed appropriation bills is a provision for spending authority for unanticipated revenues or unforeseen emergencies in accordance with statutory requirements. The Executive Budget includes a cash basis financial plan which must be in balance, i.e., disbursements must not exceed receipts. It also contains a five-year financial projection for governmental funds and a five-year capital plan. A GAAP basis financial plan for the ensuing fiscal year is presented for informational purposes.

The Legislature enacts appropriation bills and revenue measures embodying those parts of the Executive Budget it has approved or modified. The Legislature may also enact a supplemental appropriation bill and special appropriation bills. When the Legislature convenes in January, it may enact a deficiency appropriation bill which authorizes additional unforeseen expenditures for the then current fiscal year. The Legislature enacted a deficiency bill in March 1990 for the fiscal year ended March 31, 1990.

An appropriation is a statutory authorization against which expenditures may be made during a specific fiscal year. An appropriation represents the maximum spending authority and is not a mandate to spend. The State's central accounting system includes controls over expenditures to ensure that the maximum spending authority is not exceeded. Expenditures are controlled at the major object level within each program/project of each State agency in accordance with the underlying approved appropriation bills. The major object and program/project levels vary among State agencies. Compliance with the level of legal control is reported in a separate five thousand page document entitled "Appropriation/Segregation Accounts" which is available upon request. This document reports both disbursements and encumbrances, which reserve a portion of the applicable appropriation, thereby ensuring that the appropriations are not exceeded. Encumbrances are not considered a disbursement in the financial plan or an expenditure in the GAAP based financial statements. Generally, all appropriations lapse on September 15, following the end of the fiscal year, except for State Operations appropriations which lapse on June 30. Disbursements related to prior year appropriations and made during the lapse period are included in the subsequent fiscal year financial plan. The funds appropriated are determined in accordance with constitutional and statutory requirements. Many appropriations enacted are never intended to be used although required by law, such as the insurance funds reserve guarantee appropriations of $1.672 billion (see Note 12). These types of appropriations will generally cause total appropriation authorizations to exceed cash basis financial plan (Exhibit C) disbursement amounts. Actual disbursements exceeded financial plan disbursements as reported on Exhibit C but did not exceed total appropriations. Most Capital Projects appropriations and many State operations appropriations are reappropriated each year by the Legislature and therefore the life of such appropriations may be many years.

The annual budget cycle normally begins during the summer prior to the commencement of the fiscal year with the State departments developing their budget requests for submission to the Division of the Budget in September. During the fall, the departmental requests are analyzed by the Division of the Budget, formal budget hearings are held and major policy decisions are made by the Governor and his staff. The Executive Branch phase of the process culminates in the submission of the Executive Budget to the Legislature in January. The Legislative fiscal committees review the Executive Budget, the Legislature holds public hearings and it modifies the proposed Executive Budget, and appropriation bills are expected to be enacted into law by the April 1 start of the fiscal year.

Once the appropriation and revenue bills become law, the cash basis and the GAAP basis financial plans are revised by the Governor to reflect the impact resulting from changes in appropriations and revenue bills. The cash basis financial plan, which serves as the basis for the administration of the State's finances during the fiscal year, authorizes spending at amounts less than or equal to the appropriations enacted by the Legislature. Furthermore, both the State Comptroller and Director of the Budget must certify that the cash basis financial plan is in balance to permit the annual issuance of the tax and revenue anticipation notes (see Note 7). Accordingly, the cash basis financial plan is generally considered to be the State's "Budget" and the appropriate plan to present in Exhibit C.

The Governor is required to provide a quarterly report to the Legislature showing a comparison of the actual year-to-date results with the latest revised plans providing an explanation of any major deviations and any significant changes to the financial plans (which may require legislation). Such revisions to the financial plan do not require that balance be maintained between receipts and disbursements. The following represents a comparison of the State's cash basis financial plan as originally published by the Governor in April 1989 with subse-

quent published modifications by the Governor to reflect changes during the fiscal year (amounts in millions):

	April 1989	Modifications	February 1990
GENERAL			
Receipts:			
Taxes	$ 28,906	$ (1,085)	$ 27,821
Miscellaneous	1,137	280	1,417
Total receipts	30,043	(805)	29,238
Disbursements:			
Grants to local governments	19,149	191	19,340
Departmental operations	6,769	56	6,825
General state charges	1,848	(82)	1,766
Debt service	318	(27)	291
Total disbursements	28,084	138	28,222
Other financing sources (uses):			
Redemption of STIP notes	(460)	–	(460)
Deficit TRANs	–	665	665
Transfers from other funds	30	165	195
Transfers to other funds	(1,529)	113	(1,416)
Net other financing sources (uses)	(1,959)	943	(1,016)
Receipts and other financing sources over (under) disbursements and other financing uses	$ –	$ –	$ –
SPECIAL REVENUE			
Receipts:			
Taxes	$ 739	$ (68)	$ 671
Miscellaneous	2,901	(9)	2,892
Federal grants	10,034	139	10,173
Total receipts	13,674	62	13,736
Disbursements:			
Grants to local governments	10,816	136	10,952
Departmental operations	3,827	(20)	3,807
General state charges	220	(21)	199
Capital projects	1	(1)	–
Total disbursements	14,864	94	14,958
Other financing sources (uses):			
Redemption of STIP notes	–	244	244
Transfers from other funds	2,454	8	2,462
Transfers to other funds	(1,151)	(182)	(1,333)
Net other financing sources (uses)	1,303	70	1,373
Receipts and other financing sources over (under) disbursements and other financing uses	$ 113	$ 38	$ 151

	April 1989	Modifications	February 1990
DEBT SERVICE			
Receipts:			
Taxes	$ 34	$ –	$ 34
Miscellaneous	1,482	31	1,513
Federal grants	2	–	2
Total receipts	1,518	31	1,549
Disbursements:			
Debt service	1,060	(35)	1,025
Other financing sources (uses):			
Redemption of STIP notes	–	29	29
Transfers from other funds	1,707	(60)	1,647
Transfers to other funds	(2,256)	(9)	(2,265)
Net other financing sources (uses)	(549)	(40)	(589)
Receipts and other financing sources over (under) disbursements and other financing uses	$ (91)	$ 26	$ (65)
CAPITAL PROJECTS			
Receipts:			
Miscellaneous	$ 612	$ 48	$ 660
Federal grants	790	(17)	773
Total receipts	1,402	31	1,433
Disbursements:			
Departmental operations	6	–	6
Capital projects	2,787	(25)	2,762
Total disbursements	2,793	(25)	2,768
Other financing sources (uses):			
Bond proceeds, net	578	75	653
Redemption of STIP notes	–	24	24
Transfers from other funds	782	(63)	719
Transfers to other funds	(40)	(4)	(44)
Net other financing sources (uses)	1,320	32	1,352
Receipts and other financing sources over (under) disbursements and other financing uses	$ (71)	$ 88	$ 17

The modifications indicated above generally reflect revisions to projections based on actual receipts and disbursements for interim periods. The primary revisions related to the shortfall in general fund tax receipts which was offset by increases in miscellaneous receipts and proceeds of notes.

Exhibit C provides a comparison of the estimated data in the February 1990 Financial Plan with the actual results on the cash basis of accounting, whereas Exhibit B presents operating results in conformity with GAAP. The following presents a reconciliation of the budgetary cash basis operating results per Exhibit C with

the GAAP based operating results per Exhibit B (amounts in thousands):

	General	Special Revenue	Debt Service	Capital Projects
Receipts and other financing sources over (under) disbursements and other financing uses per Exhibit C	$ –	$ (208,900)	$ (52,800)	$ 21,400
Entity differences:				
Receipts and other financing sources over disbursements and other financing uses for funds and accounts not included in the cash basis financial plan	(8,577)	29,612	102,982	(8,206)
Perspective differences:				
Receipts and other financing sources over disbursements and other financing uses of the Earmarked Revenue Account and the Infrastructure Trust Fund Account which are treated as Special Revenue Funds in the financial plan and part of the General Fund for GAAP reporting	223	(223)	–	–
Basis of accounting differences:				
Net increase (decrease) in taxes receivable	(200,954)	435	–	–
Net increase in due from Federal government	–	420,768	–	6,317
Net increase (decrease) in deferred revenue and miscellaneous assets	105,364	7,822	(49,254)	(10,784)
Net decrease in tax refunds payable	73,919	5,625	–	–
Net (increase) in payable to local governments	(23,831)	(378,223)	–	(45,364)
Net (increase) in tax anticipation notes payable	(775,000)	–	–	–
Net (increase) decrease in other payables and accrued liabilities	(163,633)	(187,368)	3,242	11,197
Net (increase) decrease in due to other funds	319,018	(22,418)	9,597	(154,913)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses per Exhibit B	**$ (673,471)**	**$ (332,870)**	**$ 13,767**	**$ (180,353)**

The entity differences relate to the presentation of certain statutory colleges of the State University of New York and City University of New York (CUNY) senior colleges and related entities, the inclusion of certain funds considered to be proprietary funds for purposes of the cash basis financial plan, and the inclusion of certain sole custody bank accounts, which are not included in the cash basis financial plan.

The perspective difference relates to the Infrastructure Trust Fund Account which funded a $240 thousand net transfer to the State Purposes Account (which is part of the General Fund for both GAAP and cash basis financial plan purposes) and the Earmarked Revenue Account which is presented below on a cash basis (amounts in thousands):

RECEIPTS:	
Federal grants	$ 271
Miscellaneous	1,333,482
	1,333,753
DISBURSEMENTS:	
Grants to local governments	829,303
Departmental operations	2,923,644
General state charges	92,395
	3,845,342
OTHER FINANCING SOURCES (USES):	
Redemption of STIP notes	131,747
Transfers from other funds	2,436,249
Transfers to other funds	(55,944)
	2,512,052
Receipts and other financing sources over disbursements and other financing uses	**$ 483**

COMMITMENTS AND CONTINGENCIES

The State receives significant financial assistance from the Federal government in the form of grants and entitlements, including several non-cash programs (which are not included in the accompanying general purpose financial statements). Receipt of grants is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of resources for eligible purposes. Substantially all grants are subject to either the Federal Single Audit Act or to financial and compliance audits by grantor agencies of the Federal government or their designees. Disallowances by Federal program officials as a result of these audits may become liabilities of the State. The State has recorded liabilities of approximately $56 million based on an evaluation of pending disallowances at March 31, 1990. The portion of the liability expected to be paid in the next 12 months, $32 million, is reported in the General Fund and the remainder is reported in the General Long-term Obligations Account Group. The long-term portion, $24 million, represents a decrease of $34 million over the prior year.

The New York State Medical Care Facilities Finance Agency (MCFFA) has issued $450 million of Secured Hospital Revenue Bonds, for the purpose of financing mortgage loans to various hospitals in New York City. The hospitals are committed to pay the debt service, and MCFFA has established reserves to cover deficiencies incurred by the hospitals. However, if both of these funding sources are inadequate, the State may be called upon to pay the debt service. Any such payments would require authorization by the State Legislature.

Generally, the State does not insure its buildings, contents or related risks and does not insure its State-owned automobiles for bodily injury and property damages, but the State does have fidelity insurance on State employees. Routine uninsured losses are recorded as expenditures in the General Fund as paid, while significant uninsured losses usually are the result of litigation which is discussed further in Note 14.

Workers' compensation coverage is provided on a self-insurance basis with the State Insurance Fund acting as the State's administrator and claims processing agent. Under an agreement with the State Insurance Fund, the State pays only what is necessary to fund claims. Based on actuarial calculations as of the most recent valuation, July 1989, the State is currently liable for unfunded claims totaling approximately $284 million. The portion expected to be paid in the next 12 months, $97 million, is reported as a liability of the General Fund. The remaining amount, $187 million, is reported in the General Long-term Obligations Account Group and represents an increase of $35 million over the prior year.

In 1977-78, the State required that reserve funds held by insurance companies which underwrite the State employee health insurance programs be paid to the General Fund. The State is liable to replenish these reserve funds if needed to pay insured benefits or if the contracts with the insurance companies are terminated. Accordingly, based on actuarial calculations, the State has recorded a liability of $229 million which is reported in the General Long-term Obligations Account Group. This represents an increase of $15 million over the prior year.

The State Abandoned Property Law requires the deposit of certain defined and unclaimed assets into a State-managed Abandoned Property Fund (Agency Fund). The statute provides that whenever the Abandoned Property Fund exceeds $750 thousand, the excess must be remitted to the General Fund where it is reported as miscellaneous revenues. However, during the year, the Abandoned Property Fund has had cash balances which exceeded $750 thousand in order to meet anticipated cash flow demands. At March 31, 1990, the balance was $22 million. The amounts remitted during the year approximated $334 million. Net collections from inception (1942) to March 31, 1990 of approximately $2.1 billion, excluding interest, represent a contingent liability to the State since claims for refund may be filed by the owners of such property.

Since fiscal year 1982-83, amounts have been transferred to the General Fund and the Capital Projects Fund from the State Insurance Fund and from several non-governmental funds. The legislation authorizing the transfers requires the Legislature to enact annual appropriations from the General Fund to cover the State's contingent liability to repay these transfers. Payments from these appropriations will be made only if the affected funds become insolvent and have no other monies available to meet their statutory obligations. To date, no payments from these appropriations have been required. The current appropriation is $1.672 billion. However, due to the increase in the State Insurance Fund's accumulated deficit, exclusive of the contingent receivable from the State, it has been determined that a liability now exists. As a result, a liability of $226 million has been reported in the General Long-term Obligations Account Group, and a related receivable is reflected in the accounts of the State Insurance Fund (see Note 16).

The New York State Higher Education Services Corporation, a public benefit corporation, was the guarantor of approximately $8.4 billion of outstanding loans made to students by participating lending institutions at March 31, 1990. In the event of default, the United States Department of Education would guarantee 99% of the loans, with the remaining 1% ($84 million) guaranteed by the State.

During fiscal year 1987-88, the State incurred a $93 million liability to the Empire Health Insurance Plan for

unreimbursed losses incurred by the carrier during 1986 and 1987. An agreement was reached to amortize this liability over a four-year period. As of March 31, 1990, the State has a remaining liability of $38 million, of which $19 million is reported as a liability of the Governmental Funds and $19 million as a liability of the General Long-term Obligations Account Group. The long-term portion of $19 million represents a $24 million decrease from the prior year.

GUARANTEED AND MORAL OBLIGATION DEBT

The New York State Constitution provides that the State may guarantee repayment of certain borrowings of the New York State Thruway Authority, the Job Development Authority and the Port Authority of New York and New Jersey to carry out designated projects. The State has never been called upon to make any direct payments pursuant to such guarantees. Except as now authorized, no further State guaranteed debt may be incurred without voter approval. As of March 31, 1990, such State-guaranteed bonds and State-guaranteed bond anticipation notes outstanding (with an additional $284 million authorized but not issued) were as follows (amounts in thousands):

Issuer	Bonds	Notes	Total
Port Authority	$ 72,570	$ –	$ 72,570
Thruway Authority	134,750	–	134,750
Job Development Authority	293,240	50,000	343,240
Total	**$ 500,560**	**$ 50,000**	**$ 550,560**

In order to provide additional inducement to investors to purchase the obligations of certain public benefit corporations, the legislation creating these corporations authorizes the State to make up any deficiencies in their debt service reserve funds, subject to legislative appropriation (effectively, a "moral obligation" to back the corporations' credit). Since such "moral obligation" does not constitute full faith and credit obligations of the State, voter approval of such obligations was not obtained.

The State has enacted "capping legislation" which restricts the amount of moral obligation bonds each corporation (other than the Municipal Assistance Corporation) may issue. The cap is set at the amounts of bonds and notes outstanding as of April 1, 1976 plus, within specific dollar limitations, additional bonds and notes required to finance projects then in progress. As moral obligation bonds within the cap are repaid (other than by refunding), the maximum cap is reduced accordingly. Public benefit corporations with no bonds or notes outstanding when this legislation became effective are prohibited from issuing moral obligation debt. This legislation also imposed maximum limitations on lease/purchase financing for certain authorities.

As of March 31, 1990, approximately $11 billion in moral obligation bonds were outstanding as follows (amounts in thousands):

Issuer	
Battery Park City Authority	$ 176,500
Dormitory Authority of the State of New York	331,250
New York State Energy Research and Development Authority	5,435
New York State Housing Finance Agency	2,226,049
New York State Medical Care Facilities Finance Agency	205,215
New York State Project Finance Agency	196,980
United Nations Development Corporation	32,445
Urban Development Corporation	742,770
Municipal Assistance Corporation for the City of New York	7,121,608
Total	**$ 11,038,252**

The State Legislature is not required to restore any deficiency in a debt service reserve fund. However, from time to time the State has made appropriations pursuant to its "moral obligation" to make up such deficiencies under obligations issued by certain public benefit corporations, notably the Housing Finance Agency, Urban Development Corporation and Battery Park City Authority.

LITIGATION

The State is a defendant in numerous legal proceedings pertaining to matters incidental to the performance of routine governmental operations. Such litigation includes, but is not limited to, claims asserted against the State arising from alleged torts, alleged breaches of contracts, condemnation proceedings and other alleged violations of State and Federal laws.

Included in the State's outstanding litigation are a number of cases challenging the constitutionality or the adequacy and effectiveness of a variety of significant social welfare programs primarily involving the State's mental hygiene programs. Adverse judgments in these matters generally could result in injunctive relief coupled with prospective changes in patient care which could require substantial increased financing of the litigated programs in the future. Because of the prospective nature of these matters, no provision for this potential exposure has been made in the accompanying general purpose financial statements.

The State is also engaged in a variety of contract and tort claims wherein significant monetary damages are sought. Actions commenced by several Indian nations claim that significant amounts of land were unconstitutionally taken from the Indians in violation of various treaties and agreements during the eighteenth and nineteenth centuries. The claimants seek recovery of approximately six million acres of land as well as compensatory and punitive damages.

With respect to pending and threatened litigation, the State has reported liabilities of $148 million for awarded and anticipated unfavorable judgments. The portion of the liability expected to be paid within the next 12 months, $48 million, is reported in the General Fund. The remainder, $100 million, is reported in the General Long-term Obligations Account Group and represents a decrease of $32 million over the prior year.

In addition, the State is party to other claims and litigation which its legal counsel has advised are not probable of adverse court decisions. Although the amounts of potential losses, if any, are not presently determinable, it is the State's opinion that its ultimate liability in these cases is not expected to have a material adverse effect on the State's financial position as of March 31, 1990.

STATE AND LOCAL RETIREMENT SYSTEM

There are two systems within the State and Local Retirement System for employees of the State and its localities (except employees of New York City, essentially all of whom are covered by separate City-sponsored and administered pension plans). The two systems, known and reported collectively as the New York State and Local Retirement System (System), are the New York State and Local Employees' Retirement System (ERS) and the New York State Police and Fire Retirement System (PFRS). The State Comptroller is sole trustee and administrative head of the System. The System, which is a cost sharing multiple-employer public employee retirement system, is considered a component unit of the State and, accordingly, is included in the State's reporting entity. On March 31, 1990, there were approximately 2,700 participating government employers. Employees of the State constituted about 42% of the members of the System during the 1989-90 fiscal year.

The System provides retirement benefits as well as death and disability benefits. All benefits vest after 10 years of credited service. Retirement benefits that employees are entitled to are established by State law and are dependent upon the point in time at which the employee last joined the System. Contributory and noncontributory requirements also depend upon the point in time at which an employee last joined the System. Most members of ERS who joined the System on or before July 26, 1976 are enrolled in a noncontributory plan. Most members of PFRS are not required to make employee contributions. Employees who last joined ERS subsequent to July 26, 1976 are enrolled in a contributory plan which requires a 3% contribution of their salary. Generally, members of Tiers 1, 2 and 3 may retire at age 55 and members of Tier 4 may retire at age 62; however, members of Tiers 2 and 3 receive a reduced benefit if they retire before age 62. A public employee who joined the System during the period of July 27, 1976 to August 31, 1983 and leaves covered employment before 10 years of credited service may obtain a refund, including interest, of the accumulated employee contributions.

Members, benefits, and employer and employee obligations to contribute are described in the New York State Retirement and Social Security Law. The number of members and benefit recipients as of March 31, 1990 were:

	ERS	PFRS	Total
Retirees and beneficiaries currently receiving benefits and no longer working members entitled to benefits but not yet receiving them	245,432	19,504	264,936
Nonvested inactive members	79,362	2,652	82,014
Current working members:			
Vested	232,686	18,087	250,773
Nonvested	271,118	13,569	284,687

Pension Benefit Obligation

The "pension benefit obligation" shown below is the actuarial present value of credited projected benefits. It is the standardized disclosure measure prepared in accordance with Governmental Accounting Standards Board Statement No. 5, namely the present value of pension benefits, adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date. The pension benefit obligation is independent of the actuarial funding method used to determine contributions to the System. The sole measure of the funding status is whether the employers have paid the actuarially determined contributions under the aggregate funding method employed by the System.

The pension benefit obligation was determined as part of an actuarial valuation as of March 31, 1990.

The Actuary employed by the System calculates credited projected benefits which include the following:

1. Future monthly payments to pensioners who are receiving benefit payments on the valuation date and to beneficiaries, including any optional survivors' benefits.
2. The portion of potential future monthly retirement benefits payable to active members attributable to their service credit as of the valuation date and salary as projected to the benefit payment date plus the accrued portion of certain death and disability benefits.
3. The potential future monthly service retirement benefits payable to inactive members based on their service credit and salary earned up to the valuation date.

The actuarial present value of credited projected benefits is the amount determined by the System's Actuary by applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest between the valuation date and the expected dates of payment) and the proba-

bility of benefit payments (by means of multiple-decrement probability tables for death, disability retirement and withdrawal).

Significant actuarial assumptions used to determine employer contributions for the years ended March 31, 1989 and 1990 are:

Interest rate	**8.75%**
Salary scale	
Inflation	5.0%
Productivity and merit (approximate)	2.0
Total salary scale	**7.0%**
Multiple-decrement tables	
Death	4/1/81-3/31/86
Disability	System's
Retirement	Experience
Withdrawal	

As of March 31, 1990, System assets in excess of pension benefit obligation were $2.86 billion as follows (amounts in millions):

	ERS	PFRS	Total
Pension benefit obligation:			
Retirees and beneficiaries currently receiving benefits, inactive members entitled to benefits not yet receiving benefits and inactive members not vested	$ 12,866	$ 2,996	$ 15,862
Current employees:			
Accumulated employee contributions including allocated investment income	1,365	10	1,375
Employer-financed vested	20,317	3,668	23,985
Employer-financed nonvested	2,426	639	3,065
Total pension benefit obligation	**36,974**	**7,313**	**44,287**
Net assets available for benefits	**40,078**	**7,069**	**47,147**
Assets in excess (unfunded portion) of pension benefit obligation	**$ 3,104**	**$ (244)**	**$ 2,860**

Significant actuarial assumptions used to compute the pension benefit obligation are the same as those used to compute the actuarially determined contribution requirements except that the pension benefit obligation used an interest rate of 8 percent for comparability purposes, while the actuarial cost method used for funding by the System used an interest rate of 8.75 percent. This change from the prior year increased the pension benefit obligation by $4 billion. Also, the pension benefit obligation changed from the prior year to include approximately $2.5 billion for expected supplementation increases and an additional $1.1 billion of accrued death and disability benefit costs. The pension benefit obligation as of March 31, 1989 was $33.290 billion.

It should further be noted that net retirement system assets available for benefits as reported in the financial statements includes $1.611 billion of accrued employer contributions related to periods prior to the statement date that have not been paid to the System as of March 31, 1990 but which are anticipated to be received over the next 16 years.

Funding Status

The actuarial cost method used by the System to determine the annual contributions from employers is the aggregate cost method. Under this method, the excess of the actuarial liabilities over the actuarial assets is funded by employers as a level percentage of salary over the current members' future working lifetimes.

Employer contributions billed to the State (excluding amortization) and other participating employers during the fiscal year ended March 31, 1990 and received during this same period totaled $559 million and represent 4.0% of the total covered payroll.

The System adopted a beginning of the year valuation for the year ended March 31, 1990. The result of this change was that employer contribution rates for 1990 were the same as in 1989. Therefore, the change in contributions for 1990 from 1989 was due to salary changes, interest adjustments and a required change in the actuarial smoothing method used as explained below.

Subsequent to the System's March 31, 1990 fiscal year-end, the Legislature amended the Retirement and Social Security Law which mandates a change to a different actuarial funding method for the System. Effective with the year ending March 31, 1991, the System will change the funding method from the aggregate cost method to a modified projected unit credit method. This new method utilizes a rolling amortization period for any difference between actuarial assets and actuarial accrued liabilities. Approximately 17% of such difference is recognized each year. The legislation also allows the reduction of the annual amortization payment by any yearly surplus due to the rolling amortization. The System's Trustee is concerned that the amortized payment amounts receivable by the System are a contractual responsibility and are distinguishable from the surplus arising from the funding methodology. It is the intention of the Trustee to request a private letter ruling from the Internal Revenue Service as to whether this transaction constitutes a prohibited transaction that would impact the qualified plan status of the System.

In addition, the legislation required a retroactive change in the actuarial smoothing method, for the years ended March 31, 1989 and March 31, 1990, from a four-year smoothing to a five-year smoothing. This retroactively reduced required contributions for those years by $306 million which is reflected in the current year combined financial statements.

The anticipated effect of these changes for the year ending March 31, 1991 is that the Employees' Retirement System contributions will generally be zero, while the Police and Fire Retirement System contributions will generally be lower. The anticipated long-term effect is

that employer contributions will be, for a time, less than they would have been under the aggregate method, but, after the transition period to the modified credit projected unit method, the employer contributions are expected to be higher than under the aggregate cost method.

If the modified projected unit credit method had been implemented for determining the employer contributions for the year ended March 31, 1990, both net assets available for benefits and the net increase in net assets available for benefits would have declined by $646 million.

Each participating employer is required by law to contribute, on an annual basis, amounts necessary to finance coverage of its own employees. Benefit and contribution provisions are established by State law and may be amended only by the New York State Legislature. All participating employers which have adopted the same benefits contribute at the same rate of payroll. Employers commencing participation in the Systems are required to make deficiency contributions for up to 25 years. Non-State employer contributions for the fiscal years ended March 31, 1989 and 1988 and the State's contributions for the fiscal years ended March 31, 1986 and 1985 are being amortized over a 17-year period. The first annual payment by non-State employers of the deferred portion, approximately $116 million, was paid on December 15, 1989 and the March 1, 1990 payment by the State included approximately $140 million of the deferred 1986 and 1985 contributions. The State's contributions for the years ended March 31, 1986 and 1985 will be amortized over the next 13 years (See "Employer Accounting" section).

The State's contribution to the System, established in accordance with actuarially determined requirements, for the year ended March 31, 1990 was $357 million which represented 5.4% of the current covered payroll. This contribution consisted of State and employee payments of $249 million and $108 million, respectively, and represented 3.8% and 1.6%, respectively, of the current covered payroll. The State's contribution to the System represented 44.5% of the total current-year actuarially determined contribution requirement that was billed during the fiscal year to all employers. The payroll for State employees covered by the System for the year ended March 31, 1990 was $6.6 billion; and the State's total payroll was $8.236 billion.

Net Plan Assets

The System's net assets of $47.147 billion include investments of $45.189 billion and receivables of $2.398 billion, comprised of $1.611 billion of accrued employer contributions receivable and the remaining receivable generally comprised of accrued interest and dividends on investments. Employer contributions receivable are for the 1986-87 and 1987-88 fiscal years except for the State's contribution receivable which relates to the unamortized balance for the 1984-85 ($643 million) and 1985-86 ($463 million) fiscal years.

Investments, except for common stocks, are reported in the statements at original cost or amortized cost net of an allowance for potential losses of $53 million. Common stocks are valued at quoted market prices. Substantially all cash is invested daily in short-term investments (cash equivalents). Such securities are stated at cost, which approximates market value at March 31, 1990.

The following table shows the market value and carrying amount of investments as of March 31, 1990 by the type of investment. All investments are insured or registered, or held by New York State or its agent in the name of the State Comptroller, as trustee. If available, quoted market prices have been used to determine market value. The amounts shown below for securities that have no quoted market price represent estimated fair value. Many factors are considered in arriving at the fair value. In general, corporate debt securities have been valued based on yields currently available on comparable securities of issuers with similar credit ratings. Mortgages have been valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments (amounts in millions).

	Carrying Amount	Market Value
Short-term investments	$ 1,472	$ 1,472
Government securities	13,866	13,952
Corporate securities	4,517	4,351
Common stocks	21,120	21,120
Mortgages, net	2,460	2,551
Real property owned	967	967
Business investments	787	787
Total	**$ 45,189**	**$ 45,200**

Funds are authorized to be deposited in checking accounts or interest-bearing accounts including certificates of deposit. Bank deposits are fully insured or collateralized with securities held by New York State or its agent in the name of the State Comptroller. Collateralization is reviewed by the Office of the State Comptroller on an ongoing basis. Bank deposits may be under the joint custody of the State Comptroller and the Commissioner of Taxation and Finance or under the sole custody of the State Comptroller.

The net appreciation in fair value of common stocks, real property owned and business investments was determined as follows (amounts in millions):

Fair value in excess of book value of common stocks, real property owned and business investments at March 31, 1989	$ 5,489
Fair value in excess of book value of common stocks, real property owned and business investments at March 31, 1990	7,391
Net appreciation	**$ 1,902**

During the two months subsequent to March 31, 1990, the Systems' common stock portfolio has experienced unrealized net appreciation in common stock on hand at May 31, 1990, of approximately $1.250 billion, reflecting the activity of the general equity market during this period. During the same period, net gains realized on sales of common stock approximated $45 million.

Investments are authorized by State statute and generally include: Obligations of or guaranteed by the United States; obligations of New York State, selected New York State Agencies, and New York State political subdivisions; repurchase agreements; commercial paper; mortgages; real property; equities and corporate fixed income securities.

Historical trend information designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits when due is presented in the System's annual financial report.

Employer Accounting

The State's annual pension contribution relating to employee services rendered during the fiscal year ended March 31, 1990, the amortization payment relating to the 1984-85 and 1985-86 pension liabilities and the underpayment related to the 1987-88 contribution were paid on March 1, 1990. The pension contribution expenditure of $366 million reported in the Governmental Funds consists of $240 million relating to employee services rendered during the fiscal year ended March 31, 1990, $28 million to amortize the pension contribution relating to employee services rendered during the 1984-85 fiscal year, interest of $92 million related to the amortization of the 1984-85 and 1985-86 pension liabilities and interest of $6 million related to 1987-88 underpayment of the pension contribution.

The principal component of the amortization payment of $140 million made on March 1, 1990 reduced the 1985-86 liability (reported in the General Fund) by $20 million and reduced the 1984-85 liability (reported in the General Long-term Obligations Account Group) by $28 million. Pension contributions payable of $463 million reported in the General Fund and $643 million reported in the General Long-term Obligations Account Group will be amortized annually over the next 13 years.

The State paid $249 million on March 1, 1990 which related to employee services rendered during 1989-90. The pension contribution was subsequently determined by actuarial calculations to be $240 million. The State therefore overpaid the pension contribution by $9 million which is reported as other assets within the General Fund. State statute requires the overpayment to be applied to the March 1, 1992 contribution.

Other Retirement Systems

The New York State Teachers' Retirement System (TRS) provides benefits to certain employees of the State University of New York and the State Education Department. The New York City Employees' Retirement System (NYCERS) and the Teachers' Retirement System of the City of New York (NYCTRS) provide benefits to employees of City University of New York (CUNY) senior colleges. These systems, which were established by State and/or local law to provide pension benefits for State and local employees, are administrators of cost sharing multiple-employer retirement systems.

TRS, NYCERS and NYCTRS provide retirement benefits as well as death and disability benefits. All benefits generally vest after 10 years of credited service except that up to 15 years of credited service may be required for NYCTRS. Benefit and contribution provisions, which are contingent upon the point in time at which the employee last entered qualifying service, are established by State law and may be amended only by the New York State Legislature. Retirement age varies from 55 to 70 depending upon when the employee last entered qualifying service. These retirement plans have both contributory and noncontributory requirements depending upon the point in time in which an employee last entered qualifying service. Employees last entering qualifying service on or before July 26, 1976 for TRS, NYCERS and NYCTRS are enrolled in a noncontributory plan. Employees last entering qualifying service subsequent to the date listed above for the respective retirement systems are enrolled in a contributory plan which requires a 3% contribution of their salary. Each participating employer is required by law to contribute amounts necessary to finance coverage of its own employees.

The "pension benefit obligation" shown below is the standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the retirement systems' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among retirement systems. The measure is independent of the actuarial funding method used to determine contributions to the retirement systems. In addition the funding status of each of the retirement systems is also presented in the table below.

The pension benefit obligation for TRS, NYCERS and NYCTRS was determined as part of an actuarial valuation as of June 30, 1989. The actuarial calculations at June 30, 1989 were based on a rate of return on investments of 7.50% and 8.25%, respectively, for TRS and

NYCERS-TRS. TRS and NYCERS-TRS established the salary scale at 6.75% and 6.50%, respectively, with mortality, turnover, retirement and disability rates based on experience.

The table shown below displays the pension benefit obligation for the respective retirement systems as of June 30, 1989 (amounts in millions):

	Retirement Systems		
	TRS	NYCERS	NYCTRS
Pension benefit obligation:			
Retirees and beneficiaries and terminated employees	$ 7,248	$ 8,865	$ 5,309
Current employees:			
Accumulated employee contributions	446	1,227	1,295
Employer-financed vested	15,193	4,626	4,905
Employer-financed nonvested	865	3,313	2,334
Total pension benefit obligation	**23,752**	**18,031**	**13,843**
Net assets available for benefits	**23,214**	**17,130**	**13,732**
Unfunded pension benefit obligation	**$ 538**	**$ 901**	**$ 111**

A level percentage of payroll employer contribution rates are determined by TRS using the aggregate actuarial funding method. TRS used the frozen initial liability method to amortize unfunded liabilities incurred as a result of significant benefit improvements over a 25-year period beginning July 1, 1970. Employer contributions are made on an annual basis.

The frozen entry age actuarial cost method of funding is utilized by the NYCERS-TRS actuary to calculate the contributions from the employer. Under this method, the excess of the actuarial present value of projected benefits over the sum of the actuarial value of assets plus the unfunded frozen actuarial accrued liability is allocated over the future earnings. Other components of the unfunded accrued liabilities are being amortized over periods ranging from 10 to 40 years. Contributions are accrued by NYCERS and NYCTRS and are funded by the employer on a current basis.

The following table presents current-year payroll, covered and total for all employees, employer and employee contributions as well as the percentage of covered payroll each contribution represents. The State's total actuarially determined contributions as a percent of contributions for all employers to NYCERS and NYCTRS were 1.8% and 5.9%, respectively. The State's contribution is reported as other fringe benefits in the general purpose financial statements. The contributions reported below were established in accordance with actuarially determined contribution requirements (amounts in thousands):

	Retirement Systems		
	TRS	NYCERS	NYCTRS
Current-Year Payroll:			
Covered	$ 94,408	$ 71,641	$ 111,043
Total	8,235,891	8,235,891	8,235,891
Contribution Requirement and Payments:			
–Employer	–	14,735	24,532
–Employees	694	1,669	2,014
Percentage of Current-Year Covered Payroll			
–Employer	–	20.6%	22.1%
–Employees	0.7%	2.3%	1.8%

The New York State Legislature restructured payments to the New York State Teachers' Retirement System which deferred the State's employer contribution of $14 million which related to employee services rendered for the year ended June 30, 1989. The State's deferred employer contribution, which has been reported in the General Long-term Obligations Account Group, will be amortized in equal installments over the next 15 years.

The Teachers' Insurance and Annuity Association and the College Retirement Equities Fund (TIAA/CREF) is a privately operated defined contribution retirement plan which provides benefits to certain employees of the State University of New York (SUNY) and the City University of New York (CUNY) senior colleges. The State assumes no liability for TIAA/CREF members other than payment of contributions.

TIAA/CREF provides retirement and death benefits for or on behalf of those full-time professional employees and faculty members electing to participate in this optional retirement program. Participation eligibility as well as contributory and noncontributory requirements are established by State law. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits vest after the completion of one year of service if the employee is retained thereafter. Individually owned annuity contracts, that provide for full ownership of retirement and survivor benefits, are purchased at the time of vesting. Participants contribute 1.5% of salary on an after-tax basis if they are CUNY senior college employees and 3% of salary if they are SUNY employees. Employer contributions range from 9% to 15% depending upon the university system (CUNY or SUNY) and when the employee was hired.

The State's total payroll for the fiscal year ended March 31, 1990 was $8.236 billion. TIAA/CREF received employer and employee contributions of approximately $111 million and $14 million, respectively, which were

based on participating employee salaries of $860 million. Employer and employee contributions represented 12.9% and 1.7%, respectively, of total covered payroll. The State's contribution is reported as other fringe benefits in the general purpose financial statements.

Historical trend information designed to provide information about the retirement systems' progress made in accumulating sufficient assets to pay benefits when due is presented in the annual financial reports prepared by TRS, NYCERS, NYCTRS and TIAA/CREF.

PUBLIC BENEFIT CORPORATIONS

Public benefit corporations (corporations) (as defined in Note 1) are legally separate entities that are not operating departments of the State. The corporations are managed independently, outside the appropriated budget process, and their powers generally are vested in a governing board. Corporations are established for a variety of purposes for the benefit of the State's citizenry such as economic development, financing and public transportation. They are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

Corporations are generally supported by revenues derived from their activities, although in recent years the State has provided special financial assistance, in some cases of a recurring nature, to certain corporations for operating and other expenses and in fulfillment of its commitments on moral obligation indebtedness. Financial assistance in the form of appropriated loans, contributed capital or operating subsidies for certain corporations, principally the Urban Development Corporation, the Metropolitan Transportation Authority, and the Housing Finance Agency was provided in the fiscal year ended March 31, 1990 and such assistance is expected to be required in future years. Accordingly, the fiscal condition of the State is related to the fiscal stability of public benefit corporations.

The amounts presented in the accompanying general purpose financial statements for Public Benefit Corporations include the following entities for the fiscal years indicated:

Entity	Fiscal Year-End
Aggregate Trust Fund	December 31, 1989
Agriculture and New York State Horse Breeding Development Fund Corporation	December 31, 1989
Battery Park City Authority	October 31, 1989
Capital District Transportation Authority	March 31, 1990
Central New York Regional Transportation Authority	March 31, 1990
Dormitory Authority of the State of New York	March 31, 1990
Harlem Urban Development Corporation	March 31, 1990
Health Research, Inc.	March 31, 1990
Housing Trust Fund Corporation	March 31, 1990
Hudson River-Black River Regulating District	June 30, 1989
Industrial Exhibit Authority	March 31, 1990

Entity	Fiscal Year-End
Jacob K. Javits Convention Center of New York Development Corporation	October 31, 1989
Long Island Power Authority	March 31, 1990
Metropolitan Transportation Authority	December 31, 1989
New York City Transit Authority	December 31, 1989
Manhattan and Bronx Surface Transit Operating Authority	December 31, 1989
Staten Island Rapid Transit Operating Authority	December 31, 1989
Metropolitan Suburban Bus Authority	December 31, 1989
The Long Island Rail Road Company	December 31, 1989
Triborough Bridge and Tunnel Authority	December 31, 1989
Metro-North Commuter Rail Road Company	December 31, 1989
Excess Loss Trust Fund	December 31, 1989
Natural Heritage Trust	September 30, 1989
Nelson A. Rockefeller Empire State Plaza Performing Arts Center Operating Corporation	March 31, 1990
New York City Convention Center Operating Corporation	March 31, 1990
New York State Affordable Housing Corporation	March 31, 1990
New York State Bridge Authority	December 31, 1989
New York State Energy Research and Development Authority	March 31, 1990
New York State Environmental Facilities Corporation	March 31, 1990
New York State Higher Education Services Corporation	March 31, 1990
New York State Housing Finance Agency	October 31, 1989
New York State Job Development Authority	March 31, 1990
New York State Martin Luther King, Jr. Institute for Nonviolence	March 31, 1990
New York State Medical Care Facilities Finance Agency	October 31, 1989
New York State Olympic Regional Development Authority	March 31, 1990
New York State Project Finance Agency	October 31, 1989
New York State Science and Technology Foundation	March 31, 1990
New York State Thoroughbred Breeding and Development Fund Corporation	December 31, 1989
New York State Thoroughbred Racing Capital Investment Fund	December 31, 1989
New York State Thruway Authority	December 31, 1989
New York State Wine/Grape Foundation	March 31, 1990
Niagara Frontier Transportation Authority	March 31, 1990
Ogdensburg Bridge and Port Authority	March 31, 1990
Port of Oswego Authority	March 31, 1989
Power Authority of the State of New York	December 31, 1989
Research Foundation for Mental Hygiene	March 31, 1990
Research Foundation of SUNY	June 30, 1989
Research Foundation of CUNY	June 30, 1989
Rochester-Genesee Regional Transportation Authority	March 31, 1990
Roosevelt Island Operating Corporation	March 31, 1990
State Insurance Fund	December 31, 1989
State of New York Mortgage Agency	March 31, 1990
Urban Development Corporation	March 31, 1990

Financial Information

Substantially all of the financial data was derived from audited annual financial statements and summarized into the accompanying format. Public Benefit Corporations follow the accrual basis of accounting as required for the proprietary fund type. A few of the individual component units, principally the New York State Thruway Authority and the State Insurance Fund, do not fully conform to the accrual basis as applied to the proprietary fund type; however, the impact of these variances is not material to Public Benefit Corporations in total. The

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Housing Finance Agency
ASSETS:					
Cash and investments	$ 1,918,407	$ 295,940	$ 2,766,016	$ 2,994,828	$ 1,097,962
Receivables, net of allowances for uncollectibles					
Loans and leases	–	–	–	6,139,702	3,615,969
Other	129,270	21,028	1,621,402	167,031	170,287
Fixed assets	3,507,881	1,075,447	9,659,058	6,299	–
Other assets	140,528	8,531	432,882	13,926	–
Total assets	**$ 5,696,086**	**$ 1,400,946**	**$ 14,479,358**	**$ 9,321,786**	**$ 4,884,218**
LIABILITIES:					
Accrued liabilities	$ 147,727	$ 85,523	$ 1,063,891	$ 283,943	$ 443,448
Pension contributions payable	–	12,054	1,560,537	1,258	–
Accounts payable	–	–	211,280	–	–
Deferred revenues	198,305	398	134,223	5,821	26,043
Notes payable	561,250	–	–	82,616	–
Bonds payable	3,134,998	272,505	5,835,792	8,840,350	3,982,324
Other long-term liabilities	204,920	–	295,620	–	167,299
Total liabilities	**4,247,200**	**370,480**	**9,101,343**	**9,213,988**	**4,619,114**
EQUITY (DEFICIT):					
Contributed capital	–	102,890	8,267,297	–	–
Retained earnings	1,448,886	927,576	(2,889,282)	107,798	265,104
Total equity (deficit)	**1,448,886**	**1,030,466**	**5,378,015**	**107,798**	**265,104**
Commitments and contingencies					
Total liabilities and equity (deficit)	**$ 5,696,086**	**$ 1,400,946**	**$ 14,479,358**	**$ 9,321,786**	**$ 4,884,218**
OPERATING REVENUES:					
Charges for services	$ 1,159,514	$ 289,860	$ 2,594,442	$ 25,869	$ 9,699
Financing income	–	–	–	438,266	299,441
Investment earnings	–	–	–	113,250	39,733
Miscellaneous	1,404	8,749	76,186	34,588	2,621
Total operating revenues	**1,160,918**	**298,609**	**2,670,628**	**611,973**	**351,494**
OPERATING EXPENSES:					
Operations	850,989	280,033	4,665,332	99,210	15,438
Depreciation and amortization	167,789	–	102,672	1,230	25
Interest	–	–	–	496,538	312,461
Total operating expenses	**1,018,778**	**280,033**	**4,768,004**	**596,978**	**327,924**
Operating income (loss)	**142,140**	**18,576**	**(2,097,376)**	**14,995**	**23,570**
NONOPERATING REVENUES (EXPENSES):					
Non-State subsidies and grants	–	–	1,085,757	–	–
Interest revenues	100,050	22,090	50,415	–	–
Interest expenses	(227,123)	(9,538)	(102,838)	–	–
Other, net	–	17,402	(247,931)	966	350
Total nonoperating revenues (expenses)	**(127,073)**	**29,954**	**785,403**	**966**	**350**
Income (loss) before operating transfers	15,067	48,530	(1,311,973)	15,961	23,920
Operating transfers from other funds	–	–	838,461	–	7,000
Operating transfers to other funds	–	–	–	(2,429)	(7,000)
Net income	15,067	48,530	(473,512)	13,532	23,920
Retained earnings (deficit) at beginning of year, as restated	1,433,819	879,046	(2,415,770)	94,266	241,184
Retained earnings (deficit) at end of year	**$ 1,448,886**	**$ 927,576**	**$ (2,889,282)**	**$ 107,798**	**$ 265,104**

Aggregate Trust Fund was added to the Public Benefit Corporations this year which required a restatement of retained earnings for $117 million. Nine of the forty-five entities presented comprise 94% of the combined assets and 94% of the combined operating revenues (before eliminations). The remaining portion of this note contains the accounts of the nine largest entities (segment information) along with an explanation of significant and/or unusual accounting and reporting matters (amounts in thousands):

Urban Development Corporation	State Insurance Fund	SONY Mortgage Agency	Medical Care Facilities Finance Agency	Other Entities	Total	Eliminations	Total Public Benefit Corporations
$ 562,153	$ 3,022,413	$ 878,672	$ 1,571,683	$ 886,695	$ 15,994,769	$ (1,319,849)	$ 14,674,920
2,040,437	–	1,910,087	4,049,178	718,329	18,473,702	(5,874,665)	12,599,037
59,104	371,301	30,676	52,580	404,669	3,027,348	(1,228,314)	1,799,034
1,063	8,390	–	–	1,194,412	15,452,550	–	15,452,550
71,707	1,240	56,293	–	60,401	785,508	(251)	785,257
$ 2,734,464	**$ 3,403,344**	**$ 2,875,728**	**$ 5,673,441**	**$ 3,264,506**	**$ 53,733,877**	**$ (8,423,079)**	**$ 45,310,798**
$ 86,470	$ 3,130,579	$ 7,823	$ 303,302	$ 394,439	$ 5,947,145	$ (3,046)	$ 5,944,099
–	–	–	–	825	1,574,674	–	1,574,674
–	–	–	2,830	28,661	242,771	–	242,771
22,056	272,765	–	16,625	98,735	774,971	–	774,971
132,387	–	–	300	61,345	837,898	(132,387)	705,511
2,091,200	–	2,566,186	5,162,881	1,135,169	33,021,405	(8,228,542)	24,792,863
526,351	–	–	–	186,307	1,380,497	(59,104)	1,321,393
2,858,464	**3,403,344**	**2,574,009**	**5,485,938**	**1,905,481**	**43,779,361**	**(8,423,079)**	**35,356,282**
–	–	–	–	744,477	9,114,664	–	9,114,664
(124,000)	–	301,719	187,503	614,548	839,852	–	839,852
(124,000)	**–**	**301,719**	**187,503**	**1,359,025**	**9,954,516**	**–**	**9,954,516**
$ 2,734,464	**$ 3,403,344**	**$ 2,875,728**	**$ 5,673,441**	**$ 3,264,506**	**$ 53,733,877**	**$ (8,423,079)**	**$ 45,310,798**
$ –	$ 889,387	$ –	$ 6,706	$ 173,416	$ 5,148,893	$ –	$ 5,148,893
83,045	–	170,865	358,513	159,781	1,509,911	(464,021)	1,045,890
46,452	275,764	92,268	125,537	19,085	712,089	–	712,089
5,219	7,246	43,327	–	138,099	317,439	–	317,439
134,716	**1,172,397**	**306,460**	**490,756**	**490,381**	**7,688,332**	**(464,021)**	**7,224,311**
26,047	1,299,578	3,069	20,613	1,012,220	8,272,529	–	8,272,529
1,090	443	21,775	6,138	16,119	317,281	–	317,281
171,677	–	207,270	403,179	–	1,591,125	(464,021)	1,127,104
198,814	**1,300,021**	**232,114**	**429,930**	**1,028,339**	**10,180,935**	**(464,021)**	**9,716,914**
(64,098)	**(127,624)**	**74,346**	**60,826**	**(537,958)**	**(2,492,603)**	**–**	**(2,492,603)**
–	–	–	–	397,904	1,483,661	–	1,483,661
–	–	–	–	69,412	241,967	–	241,967
–	(508)	–	–	(95,502)	(435,509)	–	(435,509)
938	417,900	(3,853)	(71,173)	26,157	140,756	–	140,756
938	**417,392**	**(3,853)**	**(71,173)**	**397,971**	**1,430,875**	**–**	**1,430,875**
(63,160)	289,768	70,493	(10,347)	(139,987)	(1,061,728)	–	(1,061,728)
76,253	–	–	16,603	263,608	1,201,925	–	1,201,925
–	(250,000)	(8,612)	–	(120,663)	(388,704)	–	(388,704)
13,093	39,768	61,881	6,256	2,958	(248,507)	–	(248,507)
(137,093)	(39,768)	239,838	181,247	611,590	1,088,359	–	1,088,359
$ (124,000)	**$ –**	**$ 301,719**	**$ 187,503**	**$ 614,548**	**$ 839,852**	**$ –**	**$ 839,852**

Power Authority

The Power Authority of the State of New York (Authority) was created in 1931 to help provide a continuous adequate supply of dependable electric power and energy to the people of the State. The Authority generates, transmits, and sells electric power and energy principally at wholesale to various customers including private and municipal utilities.

The Authority's principal asset, utility plant, ($3.5 billion) is stated at original cost less accumulated depreciation and consists primarily of amounts expended to license, construct, acquire, complete and place in operation projects of the Authority. Depreciation is provided on a straight-line basis over the estimated useful lives of various classes of plant with the exception of nuclear fuel which is amortized over its estimated useful life on the unit-of-production basis. The average life for depreciable electric plant is approximately 40 years. Interest expense is net of interest capitalized of $54 million. The other long-term liability amount ($205 million) represents costs for nuclear fuel disposal and decommissioning. Pension expense was $6.7 million.

Several of the Authority's planned or existing projects are involved in proceedings before Federal and State courts and agencies. The effect of these matters has delayed and may impede the Authority's construction and operation of such projects or planned projects and require the Authority to incur substantial additional costs. The Authority's General Counsel believes the Authority will reach a satisfactory resolution with respect to these matters.

Under provisions of the Federal Price-Anderson Act, the Authority would be subject to certain assessments in the event that public liability from an insured nuclear incident exceeded $200 million. The Authority would be subject to a prorata assessment of up to $63 million with inflation adjustments for each of its two reactors. The yearly assessment would be no greater than $10 million per reactor owned. In addition to the liability insurance required by the Price-Anderson Act, the Nuclear Regulatory Commission (NRC) requires the Authority to carry decontamination liability and excess property damage insurance of $1.06 billion for each reactor site. The Authority has such coverage in force. Under the coverage obtained, in certain circumstances the Authority could be subject to a maximum retrospective premium assessment of $13 million as of December 31, 1989.

In June 1988, the NRC issued new decommissioning rules requiring reactor operators to certify that sufficient funds will be available for decommissioning ($120 million and $155 million in 1988 dollars for the Indian Point 3 and J.A. FitzPatrick plants, respectively). The Authority is currently examining the options available to it under the NRC rules which require a decommissioning funding plan be established by July 26, 1990. The Authority anticipates that sufficient funds will be available under the NRC rules. As of December 31, 1989, the Authority had recorded a provision for decommissioning in the amount of $103 million.

The Authority has signed a memorandum of understanding with the Long Island Lighting Company (LILCO) to construct up to three baseload thermal generating facilities totalling up to 900 megawatts with the output to be sold to LILCO, as well as providing necessary transmission facilities to assure delivery of Authority power to LILCO. The output of the facilities would be purchased by LILCO under provisions to ensure recovery of the Authority's costs. The approximate direct construction cost for each facility is $210 million in 1989 dollars.

In January 1990, the Authority entered into a Management Services agreement to assist the Long Island Power Authority (LIPA) in decommissioning the Shoreham nuclear power plant. The Authority will be reimbursed by LIPA for all costs related to the decommissioning and interim maintenance of Shoreham.

Thruway Authority

The New York State Thruway Authority (Authority) was created as a public benefit corporation by the Legislature in 1950 with powers to construct, operate and maintain a Thruway system. The Authority has also been authorized by the Legislature to act as a financing agent for issuing Emergency Highway Reconditioning and Preservation Bonds and Notes, and Emergency Highway Construction and Reconstruction Bonds and Notes to finance improvements to State highways.

The primary asset, fixed assets, represents the thruway project, ($1.1 billion) and consists primarily of highways, bridges, buildings and equipment. Pension expense was $1.3 million.

The Authority has committed to invest approximately $1.7 billion in a capital program which will provide for the substantial replacement and restoration of the thruway road and bridge facilities by 1996. Through December 31, 1989, the Authority expended and/or was contractually obligated to expend a total of approximately $322 million in connection with this capital program.

The Authority has been named as a defendant in a number of legal actions resulting from various causes. Certain types of liability insurance coverages are carried by the Authority, and the Authority is self-insured for certain other types of liabilities. The financial statements of the Authority reflect a funded self-insurance reserve of $11 million as of December 31, 1989. The ultimate amounts which may be required to be paid to settle such litigation, in excess of the funded reserve, if any, are not expected to have a material effect on the financial condition of the Authority.

Metropolitan Transportation Authority

The Metropolitan Transportation Authority (Authority) was created to continue, develop and improve public transportation and to develop and implement a unified

public transportation policy in the New York Metropolitan area. The accounts presented as the Metropolitan Transportation Authority are the combined accounts of the following related entities:

- —Metropolitan Transportation Authority (MTA)
- —New York City Transit Authority (NYCTA)
- —Manhattan and Bronx Surface Transit Operating Authority (MABSTOA)
- —Staten Island Rapid Transit Operating Authority (SIRTOA)
- —Metropolitan Suburban Bus Authority (MSBA)
- —The Long Island Rail Road Company (LIRR)
- —Triborough Bridge and Tunnel Authority (TBTA)
- —Metro-North Commuter Rail Road Company (M-NCRC)
- —Excess Loss Trust Fund (ELTF)

Significant inter-entity transactions and balances were eliminated in combination. The primary asset, fixed assets, ($9.7 billion) is reported net of $1.7 billion accumulated depreciation which is provided on a straight-line basis over the estimated useful lives of the fixed assets which range from three to one hundred years. Certain equipment and other capital used by NYCTA, MABSTOA, MSBA, and SIRTOA, primarily rolling stock, are funded and owned by City, State and Federal governments and accordingly, are not recorded by the Authorities. Capital expenditures during the year were made in accordance with initial and new five-year capital programs implemented by MTA in 1982 and 1987. The total program approximates $16.3 billion and will be financed by Federal grants, long-term State service contracts, bonds to be issued by TBTA, proceeds from the sale of tax benefits and MTA bonds secured by system revenues and other sources. Approximately $12.3 billion has been committed under these programs as of December 31, 1989.

Interest expense on MTA service contract bonds with a principal amount of $1.3 billion was paid through charges to the State and therefore interest expense on these bonds is not recorded. Interest expense ($103 million) is net of interest capitalized of $207 million.

Employees are members of ERS or union-sponsored plans and pension expense for the year was $517 million. MTA and its related entities are involved in various lawsuits. Such litigation is not expected to have a significant adverse effect on their financial condition.

During 1987, the Authority established ELTF to protect against catastrophic losses. No claims were incurred under this plan during 1989, which at December 31, 1989 had net assets, at market value, available to meet claims of $45 million.

The transfer of $838 million represents State grants for operating and other purposes. Other long-term liabilities ($296 million) consists of estimated liability for personal injury ($269 million) and deferred compensation and pension costs ($27 million). Other receivables ($1.6 billion) consists primarily of subsidies receivable from the State and other sources.

In December 1989, MTA issued $88 million of ELTF Bonds and advanced the net proceeds to the ELTF. During 1989, TBTA issued $357 million General Purpose Revenue Bonds ($125 million Series O and $232 million Series P).

In January 1990, TBTA defeased a portion of the Series H ($133 million) and Series K ($75 million) bonds with the issuance of its Series Q bonds of $255 million (exclusive of $27 million of discount). A noncash charge of approximately $18 million, which represents the excess of the investments placed in trust over the face amount of the bonds that were legally defeased, will be recorded in the subsequent fiscal year. The transaction gives rise to a future gross economic benefit of approximately $27 million, or a net present value economic benefit of approximately $13 million, due to the lower interest rate on the bonds issued to fund the refinancing.

A change in presentation for MTA at December 31, 1989 relating to total equity required that contributed capital and retained earnings be reported separately. As a result of this change, beginning contributed capital and retained earnings were restated by $3.3 billion.

In 1989, NYCTA changed its method of accounting for depreciation expense relating to assets acquired from sources not requiring repayment by NYCTA, including long-term debt funded from certain nonoperating revenues. The change, which conforms with the provisions of Statement No. 1 of the Governmental Accounting Standards Board, was applied retroactively and results in reclassification of certain nonoperating revenues, interest and financing costs, and depreciation expense from the net deficit to contributed capital. The effect of the depreciation change resulted in a decrease in contributed capital and an increase in retained earnings of $623 million. The net effect of the $623 million and the $3.3 billion described in the preceding paragraph comprises the restatement of beginning contributed capital.

The increase in contributed capital of $1,346 million is comprised of Federal and State grants and other refinancing sources for capital projects. "Other, net" includes an annual reclassification from retained earnings to contributed capital of bond proceeds restricted for commuter railroad and other projects ($229 million).

Dormitory Authority

The Dormitory Authority (Authority) was established in 1944 for the purpose of financing, designing, constructing, purchasing, reconstructing and/or rehabilitating buildings, ("projects") for use by educational and other not-for-profit institutions. The Authority is also authorized to make and purchase loans to students enrolled in participating institutions of higher education in the State, and finance the purchase of equipment and various short-term capital projects.

The primary asset, loans and leases receivable ($6.1 billion), consists of amounts receivable in accordance with lease and loan agreements relating to the construction of projects. Approximately 50% of the loan and lease receivables are with the State for State University, City University senior colleges and State Health Department projects (see Note 9). No provision has been made for potential losses on loan and lease receivables because of collateral and reserve funds held.

Fixed assets, net ($6 million) consist of land, buildings and equipment. Buildings and equipment are depreciated by the straight-line method.

Certain bond and note issues have letters of credit, or cash and investment securities pledged to secure payments of the related debt in amounts not less than the principal balance of debt outstanding. At year-end, pledges with a market value of $648 million secure debt outstanding with a principal balance of $566 million. In addition, the principal balance outstanding of certain other bond issues is fully secured through municipal bond insurance. At March 31, 1990, the principal balance outstanding on these bonds totalled $936 million. Several bond and note issues have cash and investment securities or bond insurance pledged to secure certain reserve fund requirements. At March 31, 1990, the market value of cash and securities, and bond insurance pledged amounted to $102 million and $5 million, respectively. Approximately $558 million of bonds were guaranteed by various agencies of the Federal government.

During the year ended March 31, 1990, the Authority issued approximately $666 million of special obligation bonds on behalf of the State University of New York (SUNY) for the purpose of defeasing SUNY bonds issued by the Housing Finance Agency. These bonds are payable from and secured by the investment income earned on direct obligations of the United States Government held pursuant to an escrow deposit agreement. In addition, during the year ended March 31, 1990, the Authority issued approximately $1.8 billion of revenue bonds on behalf of SUNY. These bonds are payable primarily from and dependent upon the making of annual appropriations by the State Legislature for such purpose and the availability of moneys for such payments.

The Authority has issued revenue bonds on behalf of eleven independent institutions, the City University Senior Colleges and the City University Community Colleges for the purpose of defeasing existing revenue bonds payable and to provide funds for additional construction. Under the terms of these bond resolutions, investments have been placed with a trustee to provide sufficient amounts to be used solely for the payment of scheduled debt service requirements on the bonds. The revenue bonds totalling $909 million are considered defeased under existing accounting standards; accordingly, such bonds and the related investments placed in trust are not included in the accompanying financial statements.

During the year ended March 31, 1990, the Authority issued $82 million in bonds payable (new bonds) with an average interest rate of 7.16% to advance refund $17 million of outstanding bonds (advance refunded bonds) with an average interest rate of 7.74% and to provide approximately $55 million for new construction, approximately $4 million to deposit to an escrow account for the purpose of refunding bonds of the institution issued by the Housing Finance Agency and to fund reserve requirements. Net proceeds of $17 million from the sale of the new bonds plus an additional $1 million of the advance refunded bond fund monies were used to purchase United States Government securities. Those securities were deposited in irrevocable trusts with escrow agents to provide for all future debt service payments on the advance refunded bonds. As a result, the advance refunded bonds are considered to be defeased, and the liability for those bonds has been removed from the accompanying financial statements.

The advance refunding resulted in the recognition of an accounting gain of $966 thousand for the year ended March 31, 1990, which is reflected in the accompanying financial statements as "Other, net." The advance refunding involved the issuance of fixed rate bonds to refund previously issued fixed rate bonds. This advance refunding resulted in an increase of approximately $6 million in aggregate debt service payments over the next twenty-five years and a present value economic loss of $264 thousand.

At March 31, 1990, the Authority has refunding revenue bonds outstanding totalling $352 million issued for the purpose of refunding other revenue bonds at a future date subject to the existence of certain conditions specified in the related bond resolutions. If these conditions are not met, the refunding bonds will defease themselves. Accordingly, no accounting gain or loss has been reflected in the accompanying financial statements relating to the ultimate disposition of these refunding revenue bonds.

Pursuant to the approval by the State Legislature which authorizes the Authority to finance academic facilities of SUNY, the Authority committed to issue approximately $3.3 billion of bonds to refinance SUNY debt issued by the Housing Finance Agency. As of March 31, 1990, approximately $2.4 billion of these bonds have been issued.

The Authority is a defendant in a number of pending legal actions. There are also a number of threatened actions involving the Authority. It is management's opinion that those pending or threatened matters that could be material to the financial statements are covered by insurance or bonds filed with the Authority should a liability arise, or the Authority has the legal power and ability to seek funds to meet any such matters.

Subsequent to March 31, 1990, the Members of the Authority authorized an advance of up to $30 million from the Authority operating funds for the acquisition of a building. The Authority intends to acquire the building and ultimately convey it to another entity.

Housing Finance Agency

The New York State Housing Finance Agency (Agency) was created to finance low and middle income housing through the sale of tax-exempt securities. The original mandate of the Agency has been expanded through legislation to include financing of non-profit hospitals, nursing homes, municipal health facilities, State University facilities, and community related projects such as day care and senior citizens centers and facilities for the mentally ill and mentally retarded.

The primary asset, loans and leases receivables, is comprised of mortgage and other loans ($2.3 billion), and leases receivables ($1.3 billion) which arise from projects leased under long-term noncancellable contracts and are accounted for as financing transactions. Leases receivables are with the State for the State University Construction and Health Facilities Programs (see Note 9). The provision for possible uncollectible mortgage loans was $6 million at year-end. Pension expense was $543 thousand.

Other long-term liabilities consist of amounts due to the State which represent the accumulated amount of unpaid monies appropriated by the State Legislature to the Agency. State repayment obligations are payable when the related mortgage loans are collected. Approximately $9 million of these obligations were repaid during the year.

The auditor's report contains an explanatory paragraph as to the collectibility of mortgage loan and other receivables in the amount of $500 million relating to the Co-op City project which are in arrears. The collectibility of such receivables is dependent upon the mortgagor's ability to generate future revenues sufficient to cover operating costs, including debt service, obtain additional financing or to restructure its debt (see Note 13).

During fiscal year 1989, the Agency defeased $1 billion in State University Construction Bonds and $10 million in Hospital and Nursing Home Project Bonds. The defeasances were accomplished by placing in an irrevocable escrow account amounts invested in United States Treasury obligations that will provide amounts sufficient for the future payment of all interest and principal on the defeased bonds. Since there was a corresponding decrease in the related mortgage and lease receivables, there was no material accounting or economic gain or loss to the Agency.

The Agency is involved in various legal actions and claims from Federal funding agencies, the outcome of which, in its opinion, will not result in any material adverse financial effect on its programs.

Subsequent to the end of its fiscal year, the Agency sold $21 million Multi-Family Housing Revenue Bonds, $335 million Health Facilities Revenue Bonds, and $228 million Special Obligation Bonds. The Special Obligation Bonds were simultaneously defeased.

Urban Development Corporation

The New York State Urban Development Corporation (UDC) was established by legislative act in 1968 as a corporate governmental agency of the State. UDC's efforts are currently directed to several activities including civic, commercial, high technology and industrial development within the State, including the development of essential public projects; in addition, UDC provides municipalities and the State with its development expertise and its ability to facilitate real estate tax abatement and tax-exempt financing.

The primary asset, loans and leases receivables ($2 billion), is comprised principally of residential mortgage loans receivable ($800 million, of which $708 million are subsidized mortgages), nonresidential projects ($126 million), and economic development and public projects receivable ($1.1 billion). Residential mortgage loans are collateralized by a first lien on the project and are payable by the Housing Company borrower in equal installments of principal and interest over a 40-year period. At March 31, 1990, approximately $451 million of subsidized residential mortgage loans have been pledged as collateral for approximately $196 million of revenue bonds and other long-term liabilities. Pension expense was $685 thousand.

Because a substantial number of subsidized mortgagors are presently unable to fully satisfy debt service obligations, and since it is anticipated that this condition will continue, UDC, for accounting purposes, amortizes its subsidized residential mortgage loans solely from amounts received from the United States Department of Housing and Urban Development ("HUD"). This method will result in the recovery of UDC's investment over the remaining period to maturity of the subsidized mortgaged loans with an estimated annual yield on the unrecovered investment of approximately 5%, subject only to the continued receipt of HUD payments. Debt service payments from Housing Companies on these loans are accounted for as interest income as received. In addition, interest on non-subsidized residential mortgage loans is recognized as received, based on an effective yield determined on the basis of management's estimate of future cash receipts to be received on the loans in relation to UDC's investment in the loans. UDC continues to be legally entitled to receive all unpaid interest and principal payments under the mortgages. Such past due unpaid amounts were $197 million at March 31, 1990. No provision is made for possible uncollectible residential mortgage loans receivable.

Mortgage advances for certain purposes with respect to certain projects exceed the limits normally imposed by HUD for such purposes and, unless approved by it, could under certain circumstances entitle it to reduce the aggregate annual payments and require payments to HUD of its payments received with respect to such

advances. Further, under agreements with HUD, if the combined average cost of borrowing of UDC and Project Finance Agency is reduced below a permitted level, subsidies could be reduced.

Other long-term liabilities ($526 million) primarily represent the accumulated amount of monies appropriated by the State Legislature that have been received and not repaid. UDC reports $360 million of the above other long-term liabilities as appropriations repayable under prescribed conditions (an equity account) on its financial statements. UDC is, and will remain, dependent upon the State for appropriations to meet its financing requirements.

The transfer from other funds of $76 million is comprised of State appropriations for interest on special project revenue bonds and administrative and general expenses.

In connection with its mortgage loan enforcement efforts, foreclosure proceedings have commenced on several projects. These proceedings have resulted in counterclaims for damages. UDC has also been named defendant in other legal actions. UDC believes such litigation will not have a material adverse effect on its financial condition.

State Insurance Fund

The State Insurance Fund (Fund) is comprised of the Workers' Compensation Fund and the Disability Benefits Fund and is primarily engaged in providing workers' compensation and disability benefit insurance for employers in the State of New York.

The primary asset, cash and investments ($3 billion), consists primarily of United States Government, United States Government agency and New York State obligations. The primary liability, accrued liabilities ($3.1 billion), consists mainly of losses and loss adjustment expenses based on individual case estimates and formula reserves ($2.7 billion).

Substantially all property owned by the Fund is used for its own operations. Buildings are depreciated over estimated useful lives (25 to 40 years) using the straight-line method. The Fund recorded a pension credit of $109 thousand.

Pursuant to various State laws, the Fund had transferred approximately $1.1 billion to the State's General and Capital Projects Funds as of December 31, 1989. Subsequent to the Fund's year-end and prior to the State's year-end, the Fund transferred an additional $230 million to the State's General Fund as required by Chapter 41 of the Laws of 1990. The statutes under which these transfers were made require that the State appropriate amounts annually for the potential repayment of the transfers. Such repayment is required only to maintain the solvency, as defined, of the Workers' Compensation Fund.

These transactions have been recorded as operating transfers by the State. However, if the entire receivable and related equity had been eliminated from the State Insurance Fund's financial statements, a deficit of approximately $226 million would have resulted. Since the State governmental funds are responsible for the Funds solvency, the receivable and equity have been eliminated only to the extent that Fund equity is reduced to zero and a liability of $226 million has been recorded in the State's General Long-term Obligations Account Group (see Note 12).

Effective January 1, 1989, the Fund was required by law to change its method of determining its liability for unpaid losses and loss adjustment expenses by discounting the liabilities to their estimated present value using an interest rate of 5%. An interest rate of 3.5% had been used in 1988. The effect of the change was to decrease the liability for unpaid losses and loss adjustment expenses by approximately $275 million as of December 31, 1989. The change for years prior to 1989 ($222 million) is reported as "Other, net" and the change for 1989 ($53 million) is included in operating results. "Other, net" also includes the operating statement effect of the $226 million adjustment described above and an increase in nonadmitted assets ($30 million).

State of New York Mortgage Agency

The State of New York Mortgage Agency (Agency) was created in 1970 to alleviate shortages of funds available for residential mortgages that occur in the banking system within the State. To accomplish this purpose, the Agency issues tax-exempt mortgage revenue bonds and uses the proceeds to purchase existing residential mortgage loans from New York State banks or to originate new mortgage loans through participating banks.

Loans and leases receivables ($1.9 billion) consists primarily of mortgage loans financed by long-term indebtedness. Mortgage loans on real estate are stated at their unpaid principal balance, less unearned discount. Unearned discount is amortized to earnings based upon the level yield method. Pension expense was $178 thousand.

The Agency redeemed certain revenue bonds at par using proceeds of prepaid mortgage loans, accumulated earnings and proceeds received from remarketed bonds. These transactions resulted in a loss of $3.9 million which is reported as "Other, net."

Medical Care Facilities Finance Agency

The New York State Medical Care Facilities Finance Agency (Agency) is authorized to issue bonds and notes in a principal amount not exceeding $5.5 billion for the purpose of (1) making mortgage and equipment loans to non-profit hospitals, nursing home companies, medical corporations and other agencies, and (2) making loans to qualified health maintenance organizations. The Agency is also authorized to issue bonds for loans to hospitals designated as financially distressed, to finance construction of mental health facilities (other than bonds and

notes to refund the outstanding New York State Housing Finance Agency Mental Hygiene Improvement Bonds), and to finance construction of municipal health facilities in amounts not to exceed $1 billion, $2.2 billion and $1 billion, respectively.

The primary asset, loans and leases receivables, is comprised of mortgage loans ($3.3 billion) financed by long-term indebtedness, and lease receivables ($735 million). The operating transfer from other funds of $17 million is made from the State's governmental funds primarily to support the Hospital Revenue Bond Program. Of the accrued liabilities of $303 million, $145 million represents debt service reserves and funds received from mortgagors and lessors.

During fiscal year 1988, the Agency defeased bonds totalling $457 million. The defeasances were accomplished by placing in irrevocable escrow accounts amounts invested in United States Treasury obligations that, together with interest earnings thereon, will provide amounts sufficient for the future payment of all interest, principal, and premium, if applicable, on the defeased bonds. The net cash flow savings and present value savings on the defeasances were $82 million and $33 million, respectively. The accounting loss on the defeasances was $48 million. The principal amounts remaining on all defeased bonds at October 31, 1989, was $1.446 billion.

As of October 31, 1989, the Agency has outstanding commitments to provide permanent mortgage loans totalling $442 million. During the period from November 1, 1989 to April 5, 1990, the Agency sold bonds totalling $762 million for various purposes.

Eliminations

Eliminations are made primarily to avoid duplicate reporting. As explained in Note 9, the State services a significant portion of the bonds and notes payable of certain public benefit corporations. Since this liability is reported by the State, an equivalent amount ($8.23 billion) of bonds payable and related assets is eliminated as is the applicable financing income and interest expense of $464 million. The amount of bonds payable eliminated differs from the amount in Note 9 ($8.13 billion) primarily due to transactions occurring between the corporations' reported fiscal year-ends and the State's March 31, 1990 year-end and because the amount reported in Note 9 for the Triborough Bridge and Tunnel Authority (TBTA) is not reported in TBTA's financial statements. Another elimination ($191 million) is to delete a receivable and payable between the Urban Development Corporation and the Project Finance Agency.

Other Information

Public benefit corporations invest primarily in United States Government and United States Government agency securities, securities of or guaranteed by New York State, and repurchase agreements. Most public benefit corporations are required to follow Investment Guidelines for Public Authorities issued by the Office of the State Comptroller. In addition, section 2925(3)(b) of the Public Authorities Law requires an annual independent audit of investments for most authorities. The report on this audit, a copy of which must be filed with the Office of the State Comptroller, must include a description of any non-compliance with the authority's own investment policies, applicable laws or regulations, and the State Comptroller's Investment Guidelines.

The following table presents the investments (before eliminations) of the nine largest public benefit corporations by type and categorizes the carrying amounts as follows: Category 1 are those which are insured or registered, or held by the public benefit corporation or its agent in the corporation's name; Category 2 are those which are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the corporation's name; and Category 3 are those which are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the corporation's name (amounts in thousands):

	Category			Carrying Amount	Market Value
	1	2	3		
Government Securities	$ 9,149,289	$ 3,076,977	$ 61,837	$ 12,288,103	$ 12,418,513
Repurchase Agreements	1,327,721	–	–	1,327,721	1,328,735
Corporate Bonds	236,632	–	–	236,632	242,354
Other	193,818	144,038	170,341	508,197	508,245
Total	**$ 10,907,460**	**$ 3,221,015**	**$ 232,178**	**$ 14,360,653**	**$ 14,497,847**

The nine largest public benefit corporations hold deposits at financial institutions with a carrying value of $747 million and bank balance of $718 million (before eliminations). The bank balance consists of: $82 million which is insured or collateralized with securities held by the corporation or its agent in the corporation's name; $424 million which is collateralized with securities held by the pledging financial institution's trust department or agent in the corporation's name; and $212 million which is uncollateralized.

Changes in fixed assets were as follows (amounts in thousands):

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Power Authority	$ 4,561,051	$ 337,273	$ 53,393	$ 4,884,931
Thruway Authority	1,068,913	6,534	–	1,075,447
Metropolitan Transportation Authority	9,563,959	1,848,445	1,571	11,410,833
Dormitory Authority	7,570	660	–	8,230
Urban Development Corporation	6,095	251	–	6,346
State Insurance Fund	15,373	414	–	15,787
Other	1,399,913	89,258	1,624	1,487,547
	16,622,874	$ 2,282,835	$ 56,588	18,849,121
Less Accumulated Depreciation	2,927,957			3,396,571
Total	$ 13,694,917			$ 15,452,550

Fixed assets are generally recorded at cost and have estimated useful lives of two to one-hundred years and were comprised of the following (amounts in thousands):

Land	$ 364,845
Land Improvements	5,972,451
Buildings	7,359,802
Equipment	5,152,023
Total	$ 18,849,121

Certain public benefit corporations issue their own serial and revenue bonds. These bonds, which have interest rates ranging from 0.10% to 25.0%, are not legal obligations of the State (see Notes 9 and 13). Changes in bonds outstanding (before eliminations) were as follows (amounts in thousands):

Issuer	Outstanding Beginning of Year	Issued	Redeemed	Outstanding End of Year
Power Authority	$ 3,200,685	$ –	$ 65,687	$ 3,134,998
Thruway Authority	304,311	–	31,806	272,505
Metropolitan Transportation Authority	5,167,349	729,164	60,721	5,835,792
Dormitory Authority	5,714,044	3,303,526	177,220	8,840,350
Housing Finance Agency	5,065,450	66,630	1,149,756	3,982,324
Urban Development Corporation	1,925,947	209,408	44,155	2,091,200
State of New York Mortgage Agency	2,392,092	338,383	164,289	2,566,186
Medical Care Facilities Finance Agency	4,757,524	906,904	501,547	5,162,881
Other	1,114,310	68,805	47,946	1,135,169
Total	$ 29,641,712	$ 5,622,820	$ 2,243,127	$ 33,021,405

Debt service requirements to maturity are as follows (amounts in thousands):

First year	$ 404,104
Second year	516,536
Third year	586,523
Fourth year	629,649
Fifth year	646,156
Thereafter	30,238,437
Total	**$ 33,021,405**

Notes were issued by certain public benefit corporations to provide temporary or interim financing for special projects. The notes will be repaid from the proceeds of revenue bonds to be issued, from the renewal of the notes or from monies received from municipalities, Federal or State aid or other sources relative to the purpose of the issuance. Interest rates for notes with a principal balance of $772 million ranged from 4.1% to 10.5%. Changes in notes (before eliminations) were as follows (amounts in thousands):

Issuer	Outstanding Beginning of Year	Issued	Redeemed	Outstanding End of Year
Power Authority	$ 561,250	$ –	$ –	**$ 561,250**
Dormitory Authority	135,359	35,032	87,775	**82,616**
Urban Development Corporation	136,491	–	4,104	**132,387**
Medical Care Facilities Finance Agency	–	300	–	**300**
Other	46,652	54,041	39,348	**61,345**
Total	**$ 879,752**	**$ 89,373**	**$ 131,227**	**$ 837,898**

Public benefit corporations are also committed under numerous operating leases covering right of way and real property for which there is no evidence of purchase options or other traits of ownership passed to the public benefit corporations (capitalized leases are not significant). Rental expense for the year was $22 million. Future minimum lease payments under noncancellable leases exceeding one year are as follows (amounts in thousands):

First year	$ 15,949
Second year	14,890
Third year	14,388
Fourth year	13,752
Fifth year	12,922
Thereafter	51,785
Total	**$ 123,686**

Changes in contributed capital were as follows (amounts in thousands):

Source	Thruway Authority	Metropolitan Transportation Authority	Other Entities	Total
Contributed capital beginning of year	$ 102,890	$ 4,226,873	$ 746,064	$ 5,075,827
Restatement	–	2,694,407	–	2,694,407
Contributed capital beginning of year, as restated	102,890	6,921,280	746,064	7,770,234
Additions:				
Federal grants	–	645,010	34,138	679,148
State and local grants	–	380,805	15,621	396,426
Other, including depreciation	–	320,202	(51,346)	268,856
Contributed capital end of year	**$ 102,890**	**$ 8,267,297**	**$ 744,477**	**$ 9,114,664**

JOINT VENTURES

Joint Ventures are independently constituted entities generally created by two or more governments for a specific purpose, such as constructing and maintaining an interstate or international bridge. Pursuant to current financial reporting standards, the State does not record its equity in joint ventures. The only material joint venture in which the State participates is the Port Authority of New York and New Jersey.

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey created by compact between the two states in 1921 with the consent of the Congress of the United States. It is authorized and directed to plan, develop and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation, economic development, and world trade that contribute to promoting and protecting the commerce and economy of the Port District, defined in the compact, which comprises an area of about 1,500 square miles in both states, centering about New York Harbor.

The governor of each state appoints six of the twelve members of the governing Board of Commissioners, subject to confirmation by the respective state senate. Each governor has from time to time exercised the statutory power to veto the actions of the commissioners from his state.

The commissioners serve six-year overlapping terms as public officials without compensation. They establish Port Authority policy, appoint an Executive Director to implement it, and also appoint a General Counsel to act as legal advisor to the Board and to the Executive Director.

The compact envisions the Port Authority as being financially self-sustaining and, as such, it must obtain the funds necessary for the construction or acquisition of facilities upon the basis of its own credit, its reserve funds and its future revenues. The Port Authority has neither the power to pledge the credit of either state or any municipality nor to levy taxes or assessments.

The Port Authority's annual budget is a financial planning tool outlining the estimated expenditures for programs already authorized or to be considered by the Board of Commissioners. Approval of the budget by the Board of Commissioners, based on a financial plan developed as part of the Port Authority business planning process, does not in itself authorize any specific expenditures or projects. Each capital project must be separately considered and approved by the commissioners. Upon approval, the financial plan becomes a means of achieving systematic control of program expenditures to ensure that they are made in accordance with the policies and financial decisions of the Board, and the requirements of the by-laws of the Port Authority.

Consolidated financial statements of the Port Authority for the fiscal year ended December 31, 1989 disclosed the following (amounts in thousands):

Financial Position

Total assets	$ 6,685,808
Total liabilities	(4,309,141)
Net assets	**$ 2,376,667**

Operating Results

Operating revenues	$ 1,526,780
Operating expenses	(1,124,218)
Depreciation and amortization	(212,367)
Income from operations	190,195
Financial income (expense), net	(84,085)
Gain on sale of assets	142
Income before extraordinary items	106,252
Extraordinary item	
Gain on purchase of Port Authority bonds in connection with future sinking fund requirements	1,644
Net income	**$ 107,896**

Changes in Net Assets

Balance, January 1, 1989	**$ 2,236,268**
Net income	107,896
Federal contributions in aid of construction	32,503
Balance, December 31, 1989	**$ 2,376,667**

The consolidated bonds and notes are secured by a pledge of the net revenues of all facilities financed by these bonds and notes. At December 31, 1989 Port Authority debt consisted of the following (amounts in thousands):

Consolidated bonds and notes	$ 3,261,776
Commercial paper obligations	161,537
Variable rate notes	135,000
Special project bonds	93,139
Other	61,315
Total	**$ 3,712,767**

Combining Financial Statements

General Fund

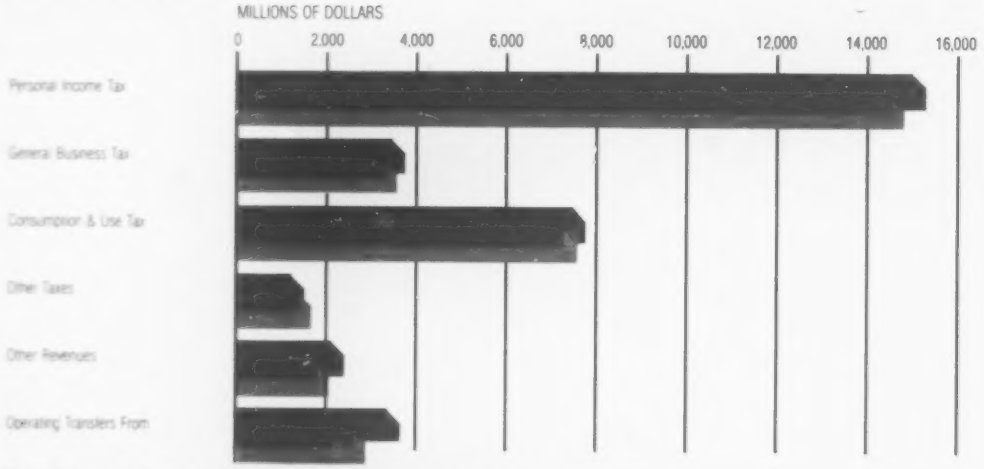
The General Fund is the most significant of the State's funds. Most tax revenues and certain miscellaneous revenues are recorded in the General Fund.

The General Fund is divided into several accounts. Expenditures in the form of aid to local governments for their general purposes (e.g., State-local revenue sharing) and to school districts and municipalities for certain specific purposes (e.g., education and social services) are made from the Local Assistance account. These payments, often based on specific legislated formulas, are nevertheless limited under the State Constitution to appropriations in force. Expenditures from the Local Assistance account normally comprise approximately 55% of General Fund expenditures.

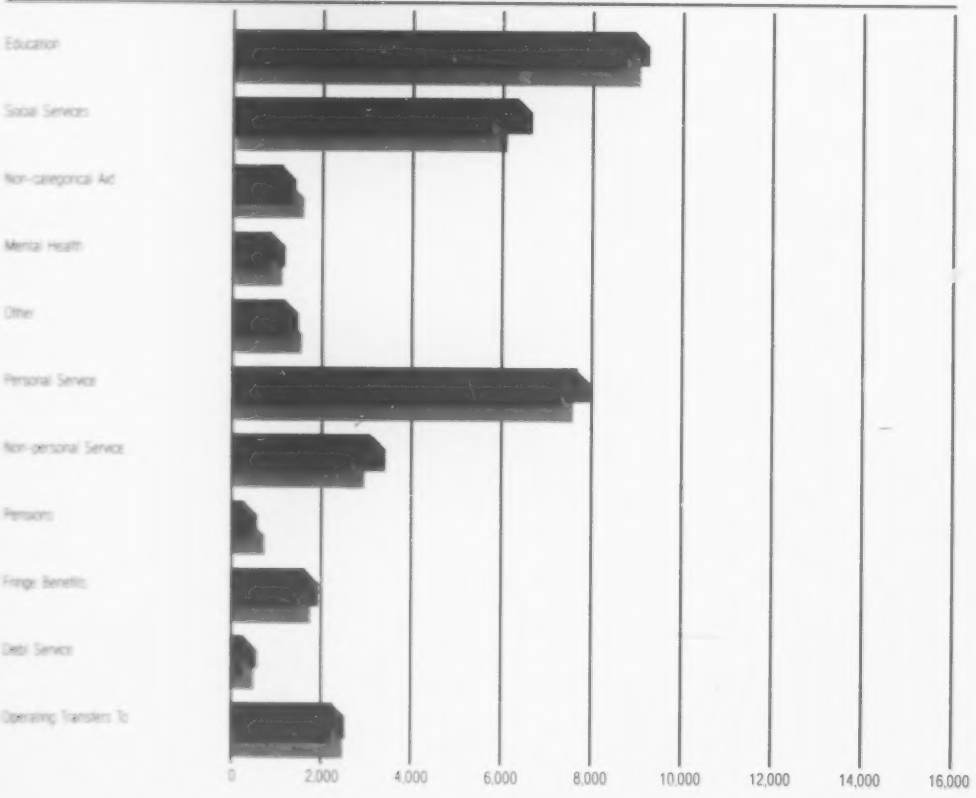
The expenditures of operating the departments of the Executive Branch, the Legislature and the Judiciary, as well as expenditures for General State charges such as contributions to employee retirement systems, are paid primarily from the State Purposes account and normally comprise approximately 28% of the General Fund expenditures.

GENERAL FUND

Revenues & Other Financing Sources



Expenditures & Other Financing Uses



FY 1990 FY 1989

General Fund–
Combining Schedule of Balance Sheet Accounts

March 31, 1990
(Amounts in thousands)

	Local Assistance	State Purposes	Tax Stabilization Reserve	Health Insurance Reserve Receipts
ASSETS:				
Cash and investments	$ 1,352	$ 124,113	$ –	$ 322
Receivables, net of allowances for uncollectibles:				
Taxes	–	3,896,910	–	–
Other	52,641	67,741	–	–
Due from other funds	55,173	27,152	201,373	–
Other assets	13,734	85,452	–	–
Total assets	**$ 122,900**	**$ 4,201,368**	**$ 201,373**	**$ 322**
LIABILITIES:				
Payable to local governments	$ 4,215,402	$ 78,573	$ –	$ –
Tax refunds payable	–	2,642,246	–	–
Accrued liabilities	736,658	621,758	–	–
Pension contributions payable	–	462,548	–	–
Accounts payable	176	270,034	–	–
Due to other funds	10,464	630,471	–	–
Tax anticipation notes payable	775,000	–	–	–
Deferred revenues	–	201,177	–	–
Other long-term liabilities	–	123,577	–	–
Total liabilities	**5,737,700**	**5,030,384**	**–**	**–**
EQUITY (DEFICIT):				
Fund balances (deficits):				
Reserved for:				
Encumbrances	270,814	155,904	–	–
Education accumulation	–	–	–	–
Infrastructure trust	–	–	–	–
Tax stabilization	–	–	201,373	–
Other specified purposes	51,214	5,567	–	–
Unreserved	(5,936,828)	(990,487)	–	322
Total equity (deficit)	**(5,614,800)**	**(829,016)**	**201,373**	**322**
Commitments and contingencies				
Total liabilities and equity (deficit)	**$ 122,900**	**$ 4,201,368**	**$ 201,373**	**$ 322**

NYS Infrastucture Trust	Centralized Services	State Exposition Special	Correctional Services Commissary	Miscellaneous Internal Service	Earmarked Revenue	Mental Hygiene Revolving
$ 9	$ 551	$ 897	$ 3,796	$ 957	$ 817,185	$ 755
–	–	–	–	–	–	–
–	471	–	–	–	35,884	–
344,004	16,568	87	71	429	35,435	28
–	792	–	–	–	309	–
$ 344,013	**$ 18,382**	**$ 984**	**$ 3,867**	**$ 1,386**	**$ 888,813**	**$ 783**
$ –	$ –	$ –	$ –	$ –	$ –	$ –
–	–	–	–	–	–	–
–	2,674	15	–	998	55,673	51
–	–	–	–	–	–	–
–	8,882	112	1,173	387	65,289	66
–	25,807	51	24	10,998	96,362	49
–	–	–	–	–	–	–
–	–	–	–	–	57,517	–
–	–	–	–	–	–	–
–	**37,363**	**178**	**1,197**	**12,383**	**274,841**	**166**
–	24,309	130	–	388	51,210	299
–	–	–	–	–	642,390	–
272,854	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	13,922	–
71,159	(43,290)	676	2,670	(11,385)	(93,550)	318
344,013	**(18,981)**	**806**	**2,670**	**(10,997)**	**613,972**	**617**
$ 344,013	**$ 18,382**	**$ 984**	**$ 3,867**	**$ 1,386**	**$ 888,813**	**$ 783**

General Fund–
Combining Schedule of Balance Sheet Accounts (cont'd)

March 31, 1990
(Amounts in thousands)

	Mental Health Sheltered Workshop	Mental Hygiene Community Stores	Supply Support System Revolving	Health Insurance Revolving
ASSETS:				
Cash and investments	$ 2,574	$ 3,138	$ 932	$ 7
Receivables, net of allowances for uncollectibles:				
Taxes	–	–	–	–
Other	–	–	–	–
Due from other funds	2	17	8,931	4,133
Other assets	–	–	–	–
Total assets	**$ 2,576**	**$ 3,155**	**$ 9,863**	**$ 4,140**
LIABILITIES:				
Payable to local governments	$ –	$ –	$ –	$ –
Tax refunds payable	–	–	–	–
Accrued liabilities	–	127	1,060	528
Pension contributions payable	–	–	–	–
Accounts payable	221	264	8,074	41
Due to other funds	10	96	1,641	9,594
Tax anticipation notes payable	–	–	–	–
Deferred revenues	–	–	–	–
Other long-term liabilities	–	–	–	–
Total liabilities	**231**	**487**	**10,775**	**10,163**
EQUITY (DEFICIT):				
Fund balances (deficits):				
Reserved for:				
Encumbrances	167	298	11,758	35
Education accumulation	–	–	–	–
Infrastructure trust	–	–	–	–
Tax stabilization	–	–	–	–
Other specified purposes	–	–	–	–
Unreserved	2,178	2,370	(12,670)	(6,058)
Total equity (deficit)	**2,345**	**2,668**	**(912)**	**(6,023)**
Commitments and contingencies				
Total liabilities and equity (deficit)	**$ 2,576**	**$ 3,155**	**$ 9,863**	**$ 4,140**

Correctional Industries Revolving	Cornell Statutory Colleges	CUNY Senior Colleges	Miscellaneous	Eliminations	Totals 1990	Totals 1989
$ 116	$ 661	$ 57,316	$ 1,930	$ –	$ 1,016,611	$ 1,024,965
–	–	–	–	–	3,896,910	4,097,864
12,830	39,726	34,231	287	–	243,811	190,015
137	–	4,451	7	(592,759)	105,239	37,829
5	2,749	761	–	–	103,802	33,846
$ 13,088	**$ 43,136**	**$ 96,759**	**$ 2,224**	**$ (592,759)**	**$ 5,366,373**	**$ 5,384,519**
$ –	$ –	$ –	$ –	$ –	$ 4,293,975	$ 4,270,144
–	–	–	–	–	2,642,246	2,716,165
1,441	–	7,406	195	–	1,428,584	1,267,884
–	–	–	–	–	462,548	557,402
3,477	5,122	28,264	153	–	391,735	294,896
17,356	–	–	894	(592,759)	211,058	530,076
–	–	–	–	–	775,000	–
–	1,047	8,126	–	–	267,867	182,069
–	–	–	–	–	123,577	122,629
22,274	**6,169**	**43,796**	**1,242**	**(592,759)**	**10,596,590**	**9,941,265**
2,736	–	–	132	–	518,180	553,521
–	–	–	–	–	642,390	806,100
–	–	–	–	–	272,854	300,000
–	–	–	–	–	201,373	201,373
–	–	–	–	–	70,703	70,910
(11,922)	36,967	52,963	850	–	(6,935,717)	(6,488,650)
(9,186)	**36,967**	**52,963**	**982**	**–**	**(5,230,217)**	**(4,556,746)**
$ 13,088	**$ 43,136**	**$ 96,759**	**$ 2,224**	**$ (592,759)**	**$ 5,366,373**	**$ 5,384,519**

General Fund— Combining Schedule of Revenue, Expenditure and Changes in Fund Balance (Deficit) Accounts

Year Ended March 31, 1990
(Amounts in thousands)

	Local Assistance	State Purposes	Tax Stabilization Reserve	Health Insurance Reserve Receipts
REVENUES:				
Taxes:				
Personal income	$ –	$ 14,977,605	$ –	$ –
Consumption and use	–	7,549,381	–	–
General business	–	3,339,886	–	–
Other	–	1,286,711	–	–
Federal grants	–	3,946	–	–
Miscellaneous	29,187	947,293	–	19,243
Total revenues	**29,187**	**28,104,822**	**–**	**19,243**
EXPENDITURES:				
Grants to local governments:				
Social services	6,172,235	–	–	–
Education	7,914,692	–	–	–
Non-categorical aid	1,133,753	–	–	–
Mental hygiene	833,688	–	–	–
Health and environment	285,459	–	–	–
Criminal justice	224,711	–	–	–
Transportation	249,969	–	–	–
Other programs	366,602	–	–	–
Operations of state departments and agencies:				
Personal service costs	–	4,742,782	–	–
Non-personal service costs	–	2,041,893	–	–
Other fringe benefits	–	1,313,881	–	32,731
Pension contribution	–	362,078	–	–
Debt service, including payments on financing arrangements	–	290,266	–	–
Total expenditures	**17,181,109**	**8,750,900**	**–**	**32,731**
Excess (deficiency) of revenues over expenditures	**(17,151,922)**	**19,353,922**	**–**	**(13,488)**
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	18,476,152	717,957	–	–
Operating transfers to other funds	(1,729,497)	(19,970,031)	–	–
Net other financing sources (uses)	**16,746,655**	**(19,252,074)**	**–**	**–**
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(405,267)	101,848	–	(13,488)
Fund balances (deficits) at April 1, 1989	(5,209,533)	(930,864)	201,373	13,810
Fund balances (deficits) at March 31, 1990	**$ (5,614,800)**	**$ (829,016)**	**$ 201,373**	**$ 322**

NYS Infrastructure Trust	Centralized Services	State Exposition Special	Correctional Services Commissary	Miscellaneous Internal Service	Earmarked Revenue	Mental Hygiene Revolving
$ –	$ –	$ –	$ –	$ –	$ –	$ –
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	248	–	–	–	270	–
6,021	219,751	5,854	21,356	20,197	682,368	2,236
6,021	**219,999**	**5,854**	**21,356**	**20,197**	**682,638**	**2,236**
–	–	–	–	–	–	–
–	–	–	–	–	806,100	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	3,238	–
–	–	–	–	–	7,986	–
–	–	–	–	–	–	–
–	–	–	–	–	11,932	–
–	44,989	1,092	–	16,981	2,295,240	761
–	105,347	4,112	21,389	5,903	612,849	1,001
–	11,785	67	–	4,262	108,155	200
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	**162,121**	**5,271**	**21,389**	**27,146**	**3,845,500**	**1,962**
6,021	**57,878**	**583**	**(33)**	**(6,949)**	**(3,162,862)**	**274**
9	–	–	–	228	3,016,360	–
(259,784)	(68,799)	–	–	–	(30,010)	–
(259,775)	**(68,799)**	**–**	**–**	**228**	**2,986,350**	**–**
(253,754)	(10,921)	583	(33)	(6,721)	(176,512)	274
597,767	(8,060)	223	2,703	(4,276)	790,484	343
$ 344,013	**$ (18,981)**	**$ 806**	**$ 2,670**	**$ (10,997)**	**$ 613,972**	**$ 617**

General Fund—
Combining Schedule of Revenue, Expenditure and Changes in Fund Balance (Deficit) Accounts (cont'd)

Year Ended March 31, 1990
(Amounts in thousands)

	Mental Health Sheltered Workshop	Mental Hygiene Community Stores	Supply Support System Revolving	Health Insurance Revolving
REVENUES:				
Taxes:				
Personal income	$ –	$ –	$ –	$ –
Consumption and use	–	–	–	–
General business	–	–	–	–
Other	–	–	–	–
Federal grants	–	–	–	–
Miscellaneous	3,596	5,969	108,073	3,705
Total revenues	**3,596**	**5,969**	**108,073**	**3,705**
EXPENDITURES:				
Grants to local governments:				
Social services	–	–	–	–
Education	–	–	–	–
Non-categorical aid	–	–	–	–
Mental hygiene	–	–	–	–
Health and environment	–	–	–	–
Criminal justice	–	–	–	–
Transportation	–	–	–	–
Other programs	–	–	–	–
Operations of state departments and agencies:				
Personal service costs	1,661	1,592	17,997	5,223
Non-personal service costs	1,369	3,745	83,134	1,558
Other fringe benefits	3	418	4,173	1,036
Pension contribution	–	–	–	–
Debt service, including payments on financing arrangements	–	–	–	–
Total expenditures	**3,033**	**5,755**	**105,304**	**7,817**
Excess (deficiency) of revenues over expenditures	**563**	**214**	**2,769**	**(4,112)**
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	–	–	–	4,129
Operating transfers to other funds	–	–	–	–
Net other financing sources (uses)	**–**	**–**	**–**	**4,129**
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	563	214	2,769	17
Fund balances (deficits) at April 1, 1989	1,782	2,454	(3,681)	(6,040)
Fund balances (deficits) at March 31, 1990	**$ 2,345**	**$ 2,668**	**$ (912)**	**$ (6,023)**

Correctional Industries Revolving	Cornell Statutory Colleges	CUNY Senior Colleges	Miscellaneous	Eliminations	Totals 1990	1989
$ –	$ –	$ –	$ –	$ –	$ 14,977,605	$ 14,640,790
–	–	–	–	–	7,549,381	7,008,564
–	–	–	–	–	3,339,886	3,176,582
–	–	–	–	–	1,286,711	1,309,595
–	47,529	54,324	–	–	106,317	5,519
59,216	131,608	79,352	7,677	(379,605)	1,973,097	1,686,840
59,216	**179,137**	**133,676**	**7,677**	**(379,605)**	**29,232,997**	**27,827,890**
–	–	–	–	–	6,172,235	5,857,737
–	–	–	–	–	8,720,792	8,420,388
–	–	–	–	–	1,133,753	1,199,749
–	–	–	–	–	833,588	781,666
–	–	–	–	–	288,697	274,211
–	–	–	–	–	232,697	252,194
–	–	–	–	–	249,969	244,947
–	–	–	–	–	378,534	386,148
18,649	143,224	521,330	4,013	–	7,815,534	7,220,958
35,293	112,756	220,670	2,704	(379,605)	2,874,118	2,512,464
4,889	5,814	150,570	387	–	1,638,371	1,653,233
–	–	–	–	–	362,078	412,070
–	–	–	–	–	290,266	167,435
58,831	**261,794**	**892,570**	**7,104**	**(379,605)**	**30,990,732**	**29,383,200**
385	**(82,657)**	**(758,894)**	**573**	**–**	**(1,757,735)**	**(1,555,310)**
–	119,624	807,926	–	(19,928,717)	3,213,668	2,474,914
–	–	–	–	19,928,717	(2,129,404)	(2,055,979)
–	**119,624**	**807,926**	**–**	**–**	**1,084,264**	**418,935**
385	36,967	49,032	573	–	(673,471)	(1,136,375)
(9,571)	–	3,931	409	–	(4,556,746)	(3,420,371)
$ (9,186)	**$ 36,967**	**$ 52,963**	**$ 982**	**$ –**	**$ (5,230,217)**	**$ (4,556,746)**

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Federal Funds—to account for federal grants received by the State that are earmarked for specific programs. The need to satisfy federal accounting and reporting requirements dictate that federal grants be accounted for in a number of separate funds, including the Federal USDA-Food and Nutrition Services Fund, the Federal Health and Human Services Fund, the Federal HHS Block Grant Fund, the Federal Operating Grants Fund, the Unemployment Insurance Administration Fund and the Federal Job Training Partnership Fund.

NYS Local Government Records Management Improvement Fund—to account for fees that are earmarked for grants for government records management improvement purposes and the administrative costs of the Education Department for such purposes.

State Lottery Fund—to account for lottery revenues that are earmarked for education assistance to local school districts and the administrative costs of the Division of the Lottery.

Conservation Fund—to account for hunting and fishing license fees and related fines and penalties that are dedicated for fish and wildlife programs.

Environmental Protection and Oil Spill Compensation Fund—to account for license fees and penalties that are earmarked for oil spill clean-up costs and claims for damages.

OSHA Training and Education Safety Fund—to account for special compensation assessments that are dedicated for the payment of occupational safety training grants.

Client Security Fund—to account for a portion of attorney registration fees that are earmarked for the payment of claims for losses resulting from attorney's misconduct.

Hazardous Waste Remedial Fund—to account for various assessments, fines and other fees that are earmarked for hazardous waste site clean-up and site remediation activities.

Mass Transportation Operating Assistance Fund—to account for business and consumption use taxes that are dedicated for public mass transportation projects.

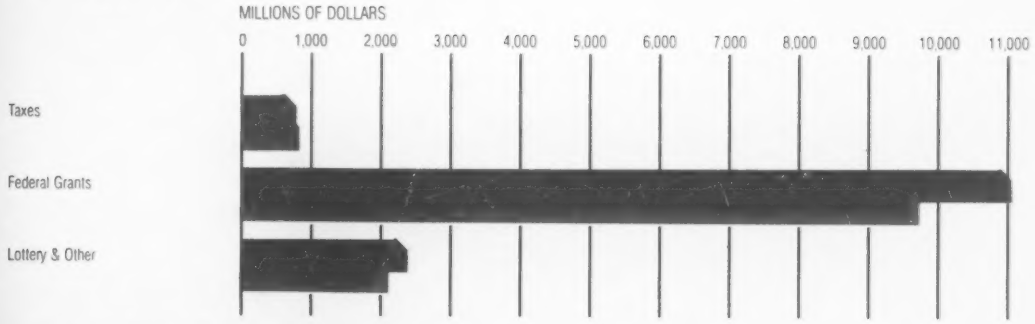
Correctional Services Family Benefit Fund—to account for telephone commissions that are earmarked for certain inmate benefit programs.

Unemployment Insurance Interest and Penalty Fund—to account for interest and penalties that are earmarked for certain Department of Labor programs.

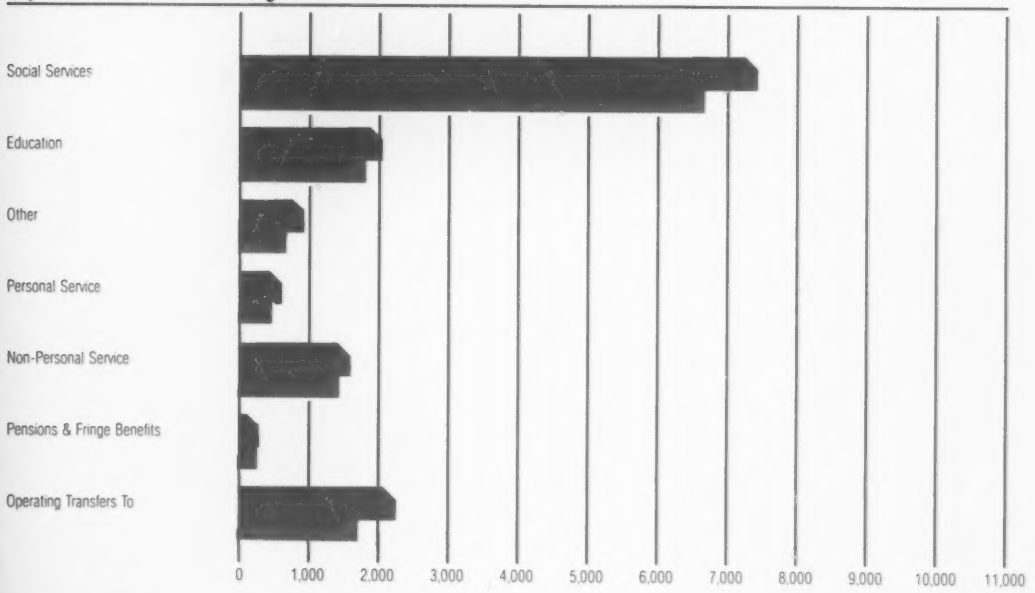
Miscellaneous—to account for various fees, fines, user charges and other miscellaneous revenues that are earmarked for specific State programs.

SPECIAL REVENUE FUNDS

Revenues & Other Financing Sources



Expenditures & Other Financing Uses



FY 1990 FY 1989

Special Revenue Funds—
Combining Balance Sheet

March 31, 1990
(Amounts in thousands)

	Local Gov't Records Mgt. Improvement	State Lottery	Federal USDA-FNS	Federal DHHS
ASSETS:				
Cash and investments	$ 4,731	$ –	$ 200	$ –
Receivables, net of allowances for uncollectibles:				
Taxes	–	–	–	–
Due from Federal government	–	–	91,488	1,710,147
Other	–	28,495	85	2,170
Due from other funds	17	–	50	6,483
Other assets	–	–	–	214
Total assets	**$ 4,748**	**$ 28,495**	**$ 91,823**	**$ 1,719,014**
LIABILITIES:				
Payable to local governments	$ –	$ –	$ 90,056	$ 729,973
Tax refunds payable	–	–	–	–
Accrued liabilities	5	2,882	321	933,942
Accounts payable	22	672	839	21,661
Due to other funds	8	25,813	593	33,438
Deferred revenues	–	–	14	–
Total liabilities	**35**	**29,367**	**91,823**	**1,719,014**
EQUITY (DEFICIT):				
Fund balances:				
Reserved for:				
Encumbrances	–	6,128	–	–
Unreserved	4,713	(7,000)	–	–
Total equity (deficit)	**4,713**	**(872)**	**–**	**–**
Commitments and contingencies				
Total liabilities and equity (deficit)	**$ 4,748**	**$ 28,495**	**$ 91,823**	**$ 1,719,014**

Federal DHHS Block Grant	Federal Operating Grants	Conservation	Environmental Protection and Oil Spill Compensation	OSHA Training and Education Safety	Clients Security
$ 4,501	$ 240,756	$ 14,441	$ 14,132	$ 6,472	$ 5,104
–	–	–	–	–	–
81,237	9,982	–	–	–	–
442	1,011	–	18,321	–	–
2,765	509	1,530	18	1	1
1,326	160	–	–	–	–
$ 90,271	**$ 252,418**	**$ 15,971**	**$ 32,471**	**$ 6,473**	**$ 5,105**
$ 82,625	$ 13,594	$ –	$ –	$ –	$ –
–	–	–	–	–	–
1,762	16,425	1,110	191	–	2
1,826	9,167	1,266	2,566	1,630	4
4,058	7,001	1,272	180	53	13
–	–	–	14,013	–	–
90,271	**46,187**	**3,648**	**16,950**	**1,683**	**19**
–	115,076	1,253	525	2,640	84
–	91,155	11,070	14,996	2,150	5,002
–	**206,231**	**12,323**	**15,521**	**4,790**	**5,086**
$ 90,271	**$ 252,418**	**$ 15,971**	**$ 32,471**	**$ 6,473**	**$ 5,105**

Special Revenue Funds—
Combining Balance Sheet (cont'd)

March 31, 1990
(Amounts in thousands)

	Hazardous Waste Remedial	Mass Transportation Operating Assistance	Correctional Family Benefits	Unemployment Insurance Administration
ASSETS:				
Cash and investments	$ 11,385	$ 201,229	$ 4,051	$ 1,040
Receivables, net of allowances for uncollectibles:				
Taxes	–	61,626	–	–
Due from Federal government	–	–	–	18,761
Other	3,398	–	–	2,717
Due from other funds	394	323,184	24	1,838
Other assets	–	–	–	695
Total assets	**$ 15,177**	**$ 586,039**	**$ 4,075**	**$ 25,051**
LIABILITIES:				
Payable to local governments	$ –	$ –	$ –	$ –
Tax refunds payable	–	7,340	–	–
Accrued liabilities	720	–	21	11,544
Accounts payable	1,187	144,778	236	4,968
Due to other funds	867	–	78	8,539
Deferred revenues	2,012	–	–	–
Total liabilities	**4,786**	**152,118**	**335**	**25,051**
EQUITY (DEFICIT):				
Fund balances:				
Reserved for:				
Encumbrances	1,082	19	174	–
Unreserved	9,309	433,902	3,566	–
Total equity (deficit)	**10,391**	**433,921**	**3,740**	**–**
Commitments and contingencies				
Total liabilities and equity (deficit)	**$ 15,177**	**$ 586,039**	**$ 4,075**	**$ 25,051**

Unemployment Insurance Interest and Penalty	Federal Job Training Partnership	Miscellaneous	Eliminations	Totals 1990	Totals 1989
$ 3,354	$ 1,190	$ 34,939	$ –	$ 547,525	$ 727,036
–	–	–	–	61,626	61,191
–	1,071	128	–	1,912,814	1,492,046
–	–	–	–	56,639	27,905
283	20	94	(2,416)	334,795	329,384
–	–	–	–	2,395	21,788
$ 3,637	$ 2,281	$ 35,161	$ (2,416)	$ 2,915,794	$ 2,659,350
$ –	$ 1,178	$ –	$ –	$ 917,426	$ 539,203
–	–	–	–	7,340	12,965
289	61	308	–	969,583	920,183
893	148	5,784	–	197,647	59,679
917	894	285	(2,416)	81,593	59,175
–	–	–	–	16,039	9,109
2,099	2,281	6,377	(2,416)	2,189,628	1,600,314
1,369	–	31,552	–	159,902	175,507
169	–	(2,768)	–	566,264	883,529
1,538	–	28,784	–	726,166	1,059,036
$ 3,637	$ 2,281	$ 35,161	$ (2,416)	$ 2,915,794	$ 2,659,350

Special Revenue Funds— Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)

Year Ended March 31, 1990
(Amounts in thousands)

	Local Gov't Records Mgt. Improvement	State Lottery	Federal USDA-FNS	Federal DHHS
REVENUES:				
Taxes:				
Consumption and use	$ –	$ –	$ –	$ –
General business	–	–	–	–
Federal grants	–	–	618,640	9,038,104
Lottery	–	1,948,273	–	–
Miscellaneous	4,987	–	140	21
Total revenues	**4,987**	**1,948,273**	**618,780**	**9,038,125**
EXPENDITURES:				
Grants to local governments:				
Social services	–	–	120,189	6,819,700
Education	–	949,995	289,026	680,862
Mental hygiene	–	–	–	8,551
Health and environment	–	–	169,499	5,396
Criminal justice	–	–	–	11
Transportation	–	–	–	–
Other programs	–	–	14,128	50,023
Operation of state departments and agencies:				
Personal service costs	39	6,317	5,471	126,412
Non-personal service costs	227	1,022,308	8,535	197,785
Other fringe benefits	6	1,260	1,117	22,477
Pension contribution	2	405	13	271
Total expenditures	**274**	**1,980,285**	**607,978**	**7,911,488**
Excess (deficiency) of revenues over expenditures	**4,713**	**(32,012)**	**10,802**	**1,126,637**
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	–	22,009	–	–
Operating transfers to other funds	–	–	(10,802)	(1,126,637)
Net other financing sources (uses)	**–**	**22,009**	**(10,802)**	**(1,126,637)**
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4,713	(10,003)	–	–
Fund balances at April 1, 1989	–	9,131	–	–
Fund balances (deficit) at March 31, 1990	$ 4,713	$ (872)	$ –	$ –

Federal DHHS Block Grant	Federal Operating Grants	Conservation	Environmental Protection and Oil Spill Compensation	OSHA Training and Education Safety	Clients Security
$ –	$ –	$ –	$ –	$ –	$ –
–	–	–	–	–	–
583,194	174,923	–	–	–	–
–	–	–	–	–	–
–	20,907	31,556	40,475	7,176	3,307
583,194	**195,830**	**31,556**	**40,475**	**7,176**	**3,307**
365,946	856	–	–	–	–
25,157	1,224	–	–	–	–
77,605	–	–	–	–	–
33,062	677	–	–	–	–
–	14,596	–	–	–	–
–	9,412	–	–	–	–
38,550	41,675	–	–	–	–
26,315	59,624	18,599	2,925	474	218
11,302	69,248	6,935	11,480	5,307	87
4,621	10,134	3,824	605	–	2,330
56	122	1,228	194	–	748
582,614	**207,568**	**30,586**	**15,204**	**5,781**	**3,383**
580	**(11,738)**	**970**	**25,271**	**1,395**	**(76)**
83	–	–	–	–	–
(663)	(848)	(50)	(15,805)	–	–
(580)	**(848)**	**(50)**	**(15,805)**	**–**	**–**
–	(12,586)	920	9,466	1,395	(76)
–	218,817	11,403	6,055	3,395	5,162
$ –	**$ 206,231**	**$ 12,323**	**$ 15,521**	**$ 4,790**	**$ 5,086**

Special Revenue Funds—Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) (cont'd)

Year Ended March 31, 1990
(Amounts in thousands)

	Hazardous Waste Remedial	Mass Transportation Operating Assistance	Correctional Family Benefits	Unemployment Insurance Administration
REVENUES:				
Taxes:				
Consumption and use	$ –	$ 234,348	$ –	$ –
General business	–	437,490	–	–
Federal grants	–	–	–	219,997
Lottery	–	–	–	–
Miscellaneous	17,114	41,394	4,666	11,469
Total revenues	**17,114**	**713,232**	**4,666**	**231,466**
EXPENDITURES:				
Grants to local governments:				
Social services	–	–	–	–
Education	–	–	–	–
Mental hygiene	–	–	–	–
Health and environment	–	–	–	–
Criminal justice	–	–	–	–
Transportation	–	95,358	–	–
Other programs	–	–	–	–
Operation of state departments and agencies:				
Personal service costs	12,337	–	100	156,642
Non-personal service costs	1,790	150	2,877	50,407
Other fringe benefits	2,534	–	20	30,673
Pension contribution	814	–	6	370
Total expenditures	**17,475**	**95,508**	**3,003**	**238,092**
Excess (deficiency) of revenues over expenditures	**(361)**	**617,724**	**1,663**	**(6,626)**
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	19,022	–	–	6,626
Operating transfers to other funds	(83,603)	(861,065)	–	–
Net other financing sources (uses)	**(64,581)**	**(861,065)**	**–**	**6,626**
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(64,942)	(243,341)	1,663	–
Fund balances at April 1, 1989	75,333	677,262	2,077	–
Fund balances (deficit) at March 31, 1990	$ 10,391	$ 433,921	$ 3,740	$ –

Unemployment Insurance Interest and Penalty	Federal Job Training Partnership	Miscellaneous	Eliminations	Totals 1990	Totals 1989
$ –	$ –	$ –	$ –	$ 234,348	$ 225,369
–	–	–	–	437,490	457,999
–	159,937	5,384	–	10,800,179	9,589,610
–	–	–	–	1,948,273	1,769,983
7,943	–	56,446	–	247,601	178,315
7,943	**159,937**	**61,830**	**–**	**13,667,891**	**12,221,276**
–	–	6	–	7,306,697	6,506,318
–	12,119	8	–	1,958,391	1,655,156
–	–	929	–	87,085	52,495
–	–	–	–	208,634	178,013
–	–	–	–	14,607	9,241
–	–	–	–	104,770	–
–	129,866	10,156	–	284,398	289,457
2,388	1,813	683	–	420,357	387,192
5,240	9,170	28,115	–	1,430,963	1,324,477
384	261	79	–	80,325	77,857
124	3	26	–	4,382	15,615
8,136	**153,232**	**40,002**	**–**	**11,900,609**	**10,495,821**
(193)	**6,705**	**21,828**	**–**	**1,767,282**	**1,725,455**
–	–	1,285	(22,514)	26,511	59,138
–	(6,705)	(42,999)	22,514	(2,126,663)	(1,573,051)
–	**(6,705)**	**(41,714)**	**–**	**(2,100,152)**	**(1,513,913)**
(193)	–	(19,886)	–	(332,870)	211,542
1,731	–	48,670	–	1,059,036	847,494
$ 1,538	**$ –**	**$ 28,784**	**$ –**	**$ 726,166**	**$ 1,059,036**

Special Revenue Funds—
Combining Schedule of Cash Receipts and Disbursements Budgetary Basis—Financial Plan and Actual

Year Ended March 31, 1990
(Amounts in thousands)

	State Lottery			Federal USDA-FNS		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	$ –	$ –	$ –	$ –	$ –	$ –
Miscellaneous	1,002,200	1,000,000	(2,200)	–	–	–
Federal grants	–	–	–	510,100	591,100	81,000
Total receipts	**1,002,200**	**1,000,000**	**(2,200)**	**510,100**	**591,100**	**81,000**
DISBURSEMENTS:						
Grants to local governments	936,100	936,100	–	482,700	564,500	(81,800)
Departmental operations	70,300	70,600	(300)	15,900	13,700	2,200
General state charges	1,700	1,600	100	400	1,100	(700)
Capital projects	–	–	–	–	–	–
Total disbursements	**1,008,100**	**1,008,300**	**(200)**	**499,000**	**579,300**	**(80,300)**
Excess (deficiency) of receipts over disbursements	**(5,900)**	**(8,300)**	**(2,400)**	**11,100**	**11,800**	**700**
OTHER FINANCING SOURCES (USES):						
Redemption of STIP notes	100	100	–	–	–	–
Transfers from other funds	19,000	22,000	3,000	–	–	–
Transfers to other funds	(13,900)	(13,900)	–	(11,000)	(10,800)	200
Net other financing sources (uses)	**5,200**	**8,200**	**3,000**	**(11,000)**	**(10,800)**	**200**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ (700)**	**$ (100)**	**$ 600**	**$ 100**	**$ 1,000**	**$ 900**

Federal DHHS			Federal DHHS Block Grant		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
$ –	$ –	$ –	$ –	$ –	$ –
–	–	–	–	–	–
8,542,100	8,639,900	97,800	550,000	564,200	14,200
8,542,100	**8,639,900**	**97,800**	**550,000**	**564,200**	**14,200**
7,082,400	7,172,100	(89,700)	507,900	519,300	(11,400)
307,100	320,500	(13,400)	38,200	38,200	–
29,700	24,900	4,800	3,200	4,900	(1,700)
–	–	–	–	–	–
7,419,200	**7,517,500**	**(98,300)**	**549,300**	**562,400**	**(13,100)**
1,122,900	**1,122,400**	**(500)**	**700**	**1,800**	**1,100**
–	–	–	400	400	–
–	–	–	–	100	100
(1,121,300)	(1,123,200)	(1,900)	–	(300)	(300)
(1,121,300)	**(1,123,200)**	**(1,900)**	**400**	**200**	**(200)**
$ 1,600	**$ (800)**	**$ (2,400)**	**$ 1,100**	**$ 2,000**	**$ 900**

Special Revenue Funds—
Combining Schedule of Cash Receipts and Disbursements
Budgetary Basis—Financial Plan and Actual (cont'd)

Year Ended March 31, 1990
(Amounts in thousands)

	Mass Transportation Operating Assistance			Earmarked Revenue Account		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	$ 665,000	$ 674,200	$ 9,200	$ –	$ –	$ –
Miscellaneous	47,000	43,700	(3,300)	1,690,600	1,333,500	(357,100)
Federal grants	–	–	–	300	300	–
Total receipts	**712,000**	**717,900**	**5,900**	**1,690,900**	**1,333,800**	**(357,100)**
DISBURSEMENTS:						
Grants to local governments	884,600	820,500	64,100	841,000	829,300	11,700
Departmental operations	–	–	–	2,936,800	2,923,600	13,200
General state charges	–	–	–	108,200	92,400	15,800
Capital projects	–	–	–	–	–	–
Total disbursements	**884,600**	**820,500**	**64,100**	**3,886,000**	**3,845,300**	**40,700**
Excess (deficiency) of receipts over disbursements	**(172,600)**	**(102,600)**	**70,000**	**(2,195,100)**	**(2,511,500)**	**(316,400)**
OTHER FINANCING SOURCES (USES):						
Redemption of STIP notes	59,900	59,900	–	131,700	131,700	–
Transfers from other funds	141,400	141,400	–	2,425,800	2,436,200	10,400
Transfers to other funds	(161,400)	(298,900)	(137,500)	(55,900)	(55,900)	–
Net other financing sources (uses)	**39,900**	**(97,600)**	**(137,500)**	**2,501,600**	**2,512,000**	**10,400**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ (132,700)**	**$ (200,200)**	**$ (67,500)**	**$ 306,500**	**$ 500**	**$ (306,000)**

Other			Eliminations		Total		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Financial Plan	Actual	Favorable (Unfavorable) Variance
$ 6,000	$ 3,100	$ –	$ –	$ –	$ 671,000	$ 677,300	$ 6,300
152,200	155,000	2,800	–	–	2,892,000	2,532,200	(359,800)
570,500	582,500	12,000	–	–	10,173,000	10,378,000	205,000
728,700	**740,600**	**14,800**	**–**	**–**	**13,736,000**	**13,587,500**	**(148,500)**
217,300	221,100	(3,800)	–	–	10,952,000	11,062,900	(110,900)
438,700	425,400	13,300	–	–	3,807,000	3,792,000	15,000
55,800	58,600	(2,800)	–	–	199,000	183,500	15,500
–	100	(100)	–	–	–	100	(100)
711,800	**705,200**	**6,600**	**–**	**–**	**14,958,000**	**15,038,500**	**(80,500)**
16,900	**35,400**	**18,500**	**–**	**–**	**(1,222,000)**	**(1,451,000)**	**(229,000)**
51,900	51,500	(400)	–	–	244,000	243,600	(400)
–	86,700	86,700	(124,200)	(230,700)	2,462,000	2,455,700	(6,300)
(93,700)	(184,900)	(91,200)	124,200	230,700	(1,333,000)	(1,457,200)	(124,200)
(41,800)	**(46,700)**	**(4,900)**	**–**	**–**	**1,373,000**	**1,242,100**	**(130,900)**
$ (24,900)	**$ (11,300)**	**$ 13,600**	**$ –**	**$ –**	**$ 151,000**	**$ (208,900)**	**$ (359,900)**

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of principal and interest on general long-term obligations and payments on certain lease-purchase or other contractual obligations.

Mental Hygiene Services Fund—to account for the payment of debt service in conjunction with agreements with the New York State Medical Care Facilities Finance Agency for financing mental hygiene facilities.

General Debt Service Fund—to account for the payment of principal and interest on the State's general obligation debt and the payments on certain lease-purchase or other contractual obligations.

Grade Cross Elimination Debt Fund—to account for the repayments of State advances made to local governments and railroads which were earmarked for payment of principal and interest on Grade Crossing Elimination bonds.

State Housing Debt Fund—to account for the repayment of State advances made to local governments and certain public authorities that are earmarked for paying the principal and interest on State Housing bonds.

Department of Health Income Fund—to account for the payment of debt service in conjunction with agreements with the Dormitory Authority for financing health facilities.

Emergency Highway Reconditioning and Preservation Fund
Emergency Highway Construction and Reconstruction Fund
Each fund accounts for a portion of motor fuel taxes earmarked for making debt service payments pursuant to agreements with the New York State Thruway Authority for financing certain highway capital projects.

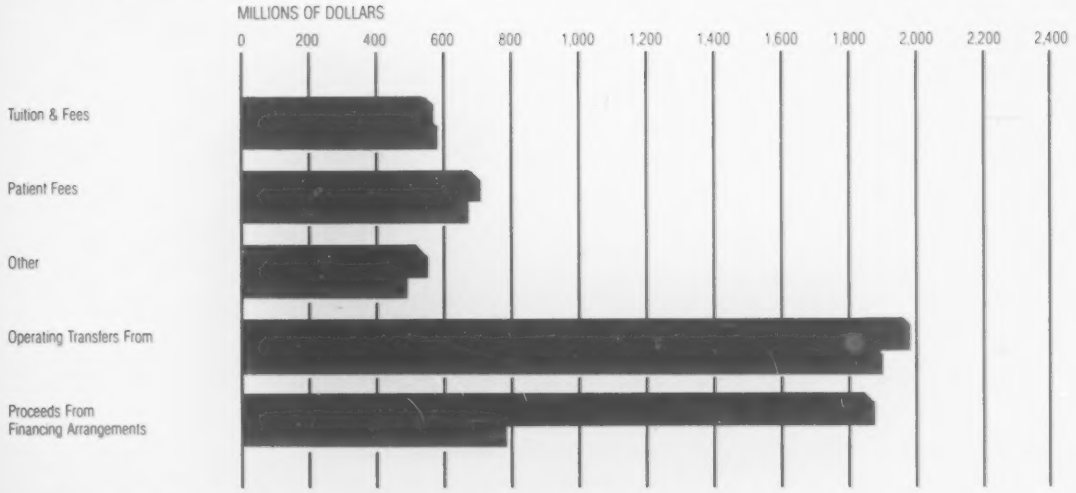
State University Dormitory Income Fund
State University Income Fund
State University Construction Fund
Each fund accounts for certain State University revenues that are earmarked for making debt service payments pursuant to agreements with the New York State Housing Finance Agency or the Dormitory Authority of the State of New York for financing State University facilities.

City University Construction Fund—to account for debt service payments pursuant to agreements with the Dormitory Authority of the State of New York for financing CUNY Senior College facilities.

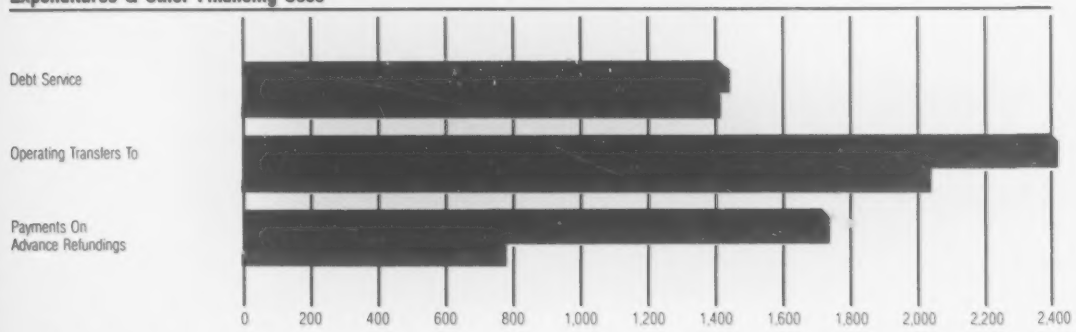
Sole Custody Funds—to account for debt service payments related to the issuance of certificates of participation and the refunding of certain general obligation debt.

DEBT SERVICE FUNDS

Revenues & Other Financing Sources



Expenditures & Other Financing Uses



FY 1990 FY 1989

Debt Service Funds—
Combining Balance Sheet

March 31, 1990
(Amounts in thousands)

	Mental Hygiene Services	General Debt Service	Grade Crossing Elimination	State Housing Debt	Department of Health Income
ASSETS:					
Cash and investments	$ 51,988	$ 178,537	$ –	$ –	$ 32,653
Receivables, net of allowance for uncollectibles:					
Other	132,641	–	713	114,358	25,753
Due from other funds	–	–	–	–	–
Total assets	**$ 184,629**	**$ 178,537**	**$ 713**	**$ 114,358**	**$ 58,406**
LIABILITIES:					
Accounts payable	$ –	$ –	$ –	$ –	$ –
Due to other funds	–	–	–	–	–
Deferred revenues	–	–	316	123,065	–
Total liabilities	**–**	**–**	**316**	**123,065**	**–**
EQUITY (DEFICIT):					
Fund balances:					
Reserved for:					
Debt service	37,890	173,108	–	–	11,120
Unreserved	146,739	5,429	397	(8,707)	47,286
Total equity (deficit)	**184,629**	**178,537**	**397**	**(8,707)**	**58,406**
Commitments and contingencies					
Total liabilities and equity (deficit)	**$ 184,629**	**$ 178,537**	**$ 713**	**$ 114,358**	**$ 58,406**

Emergency Highway Reconditioning and Preservation	State University Dormitory Income	Emergency Highway Construction and Reconstruction	State University Income	City University Construction	State University Construction	Sole Custody	Totals 1990	Totals 1989
$ 21,506	$ 74,344	$ 11,834	$ 67,866	$ 157,852	$ 396,974	$ 445,963	$ 1,439,517	$ 1,389,335
–	4,481	–	139,661	3	83	7,122	424,815	437,967
–	2,279	–	32,910	–	–	–	35,189	71,947
$ 21,506	$ 81,104	$ 11,834	$ 240,437	$ 157,855	$ 397,057	$ 453,085	$ 1,899,521	$ 1,899,249
$ –	$ –	$ –	$ 43	$ 1,017	$ –	$ –	$ 1,060	$ 4,302
–	114	–	1,052	–	–	–	1,166	10,763
–	22,090	–	46,283	–	–	–	191,754	192,410
–	22,204	–	47,378	1,017	–	–	193,980	207,475
10,753	35,448	11,834	–	147,264	153,501	445,963	1,026,881	1,097,566
10,753	23,452	–	193,059	9,574	243,556	7,122	678,660	594,208
21,506	58,900	11,834	193,059	156,838	397,057	453,085	1,705,541	1,691,774
$ 21,506	$ 81,104	$ 11,834	$ 240,437	$ 157,855	$ 397,057	$ 453,085	$ 1,899,521	$ 1,899,249

Debt Service Funds– Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)

Year Ended March 31, 1990
(Amounts in thousands)

	Mental Hygiene Services	General Debt Service	Grade Crossing Elimination	State Housing Debt	Department of Health Income
REVENUES:					
Consumption and use taxes	$ –	$ –	$ –	$ –	$ –
Federal grants	–	–	–	–	–
Tuition and fees	–	–	–	–	–
Patient fees	253,169	–	–	–	79,443
Miscellaneous	77	33,000	105	39,994	1,259
Total revenues	**253,246**	**33,000**	**105**	**39,994**	**80,702**
EXPENDITURES:					
Debt service, including payments on financing arrangements	67,877	1,031,330	–	40,405	8,264
Total expenditures	[illegible]	**1,031,330**	**–**	**40,405**	**8,264**
Excess (deficiency) of revenues over expenditures	[illegible]	**(998,330)**	**105**	**(411)**	**72,438**
OTHER FINANCING SOURCES (USES):					
Operating transfers from other funds	957,891	998,330	–	386	–
Operating transfers to other funds	(1,186,032)	–	(66)	–	(61,018)
Proceeds from financing arrangements/advance refundings	–	8,822	–	–	7,301
Payments on advance refundings	–	–	–	–	–
Net other financing sources (uses)	**(228,141)**	**1,007,152**	**(66)**	**386**	**(53,717)**
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(42,772)	8,822	39	(25)	18,721
Fund balances (deficit) at April 1, 1989	227,401	169,715	358	(8,682)	39,685
Fund balances (deficit) at March 31, 1990	$ **184,629**	$ **178,537**	$ **397**	$ **(8,707)**	$ **58,406**

Emergency Highway Reconditioning and Preservation	State University Dormitory Income	Emergency Highway Construction and Reconstruction	State University Income	City University Construction	State University Construction	Sole Custody	Eliminations	Totals 1990	Totals 1989
$ 16,560	$ –	$ 16,560	$ –	$ –	$ –	$ –	$ –	$ 33,120	$ 29,784
–	827	–	938	–	808	–	–	2,573	21,784
–	123,863	–	273,584	286,383	35,053	–	(178,212)	540,671	554,920
–	–	–	374,786	–	43,690	–	(62,742)	688,346	647,393
650	14,638	113	264,542	6,346	87,823	41,241	–	489,788	401,659
17,210	139,328	16,673	913,850	292,729	167,374	41,241	(240,954)	1,754,498	1,655,540
10,153	28,068	10,340	113,083	128,980	150,748	77,802	(240,954)	1,426,096	1,393,452
10,153	28,068	10,340	113,083	128,980	150,748	77,802	(240,954)	1,426,096	1,393,452
7,057	111,260	6,333	800,767	163,749	16,626	(36,561)	–	328,402	262,088
–	–	–	–	–	–	8,940	(10,426)	1,955,121	1,880,515
(7,100)	(105,867)	(6,336)	(860,709)	(161,397)	(7,649)	(10,426)	10,426	(2,396,174)	(2,032,870)
–	4,636	–	–	18,204	87,455	1,728,498	–	1,854,916	756,800
–	–	–	–	–	–	(1,728,498)	–	(1,728,498)	(756,800)
(7,100)	(101,231)	(6,336)	(860,709)	(143,193)	79,806	(1,486)	–	(314,635)	(152,355)
(43)	10,029	(3)	(59,942)	20,556	96,432	(38,047)	–	13,767	109,733
21,549	48,871	11,837	253,001	136,282	300,625	491,132	–	1,691,774	1,582,041
$ 21,506	$ 58,900	$ 11,834	$ 193,059	$ 156,838	$ 397,057	$ 453,085	$ –	$ 1,705,541	$ 1,691,774

Debt Service Funds—
Combining Schedule of Cash Receipts and Disbursements
Budgetary Basis—Financial Plan and Actual

Year Ended March 31, 1990
(Amounts in thousands)

	Mental Hygiene Services			General Debt Service		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	$ –	$ –	$ –	$ –	$ –	$ –
Miscellaneous	282,800	304,525	21,725	58,600	91,650	33,050
Federal grants	–	–	–	–	–	–
Total receipts	**282,800**	**304,525**	**21,725**	**58,600**	**91,650**	**33,050**
DISBURSEMENTS:						
Debt service	69,100	67,877	1,223	726,900	754,080	(27,180)
Total disbursements	**69,100**	**67,877**	**1,223**	**726,900**	**754,080**	**(27,180)**
Excess (deficiency) of receipts over disbursements	**213,700**	**236,648**	**22,948**	**(668,300)**	**(662,430)**	**5,870**
OTHER FINANCING SOURCES (USES):						
Redemption of STIP notes	400	795	395	–	–	–
Transfers from other funds	978,300	951,927	(26,373)	668,300	662,430	(5,870)
Transfers to other funds	(1,189,500)	(1,186,032)	3,468	–	–	–
Net other financing sources (uses)	**(210,800)**	**(233,310)**	**(22,510)**	**668,300**	**662,430**	**(5,870)**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ 2,900**	**$ 3,338**	**$ 438**	**$ –**	**$ –**	**$ –**

State University Income			Other			Total		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
$ –	$ –	$ –	$ 34,000	$ 33,100	$ (900)	$ 34,000	$ 33,100	$ (900)
910,400	879,765	(30,635)	261,200	251,360	(9,840)	1,513,000	1,527,300	14,300
1,000	938	(62)	1,000	762	(238)	2,000	1,700	(300)
911,400	**880,703**	**(30,697)**	**296,200**	**285,222**	**(10,978)**	**1,549,000**	**1,562,100**	**13,100**
127,000	113,113	13,887	102,000	96,930	5,070	1,025,000	1,032,000	(7,000)
127,000	**113,113**	**13,887**	**102,000**	**96,930**	**5,070**	**1,025,000**	**1,032,000**	**(7,000)**
784,400	**767,590**	**(16,810)**	**194,200**	**188,292**	**(5,908)**	**524,000**	**530,100**	**6,100**
22,300	22,289	(11)	6,300	6,316	16	29,000	29,400	400
–	–	–	400	343	(57)	1,647,000	1,614,760	(32,300)
(886,600)	(860,629)	25,971	(188,900)	(180,339)	8,561	(2,265,000)	(2,227,000)	38,000
(864,300)	**(838,340)**	**25,960**	**(182,200)**	**(173,680)**	**8,520**	**(589,000)**	**(582,900)**	**6,100**
$ (79,900)	**$ (70,750)**	**$ 9,150**	**$ 12,000**	**$ 14,612**	**$ 2,612**	**$ (65,000)**	**$ (52,800)**	**$ 12,200**

Capital Projects Funds

Capital Projects Funds are used to account for the financial resources used for the acquisition or construction of major state owned capital facilities and for capital assistance grants to local governments and public authorities.

State Capital Projects Fund—to account for the construction or acquisition of state capital assets and the payments to local governments and public authorities for capital assistance financed primarily by transfers from the General Fund, Bond Funds and proceeds from various financial arrangements.

Bond Funds—to account for the proceeds of bonds issued for capital purposes. A separate bond fund is established to account for the bond proceeds of each bond issue authorized by public referendum, including the Energy Conservation Through Improved Transportation Bond Fund, the Pure Waters Bond Fund, the Transportation Capital Facilities Bond Fund, the Environmental Quality Protection Fund, the Rail Preservation and Development Bond Fund, the Transportation Infrastructure Renewal Bond Fund, the Environmental Quality Bond Act Fund and the Accelerated Capacity and Transportation Improvements Fund.

Federal Capital Projects Fund—to account for capital projects financed from federal grants.

Suburban Transportation Fund—to account for transportation capital projects in the New York metropolitan area financed from resources of Metropolitan Transportation Authority.

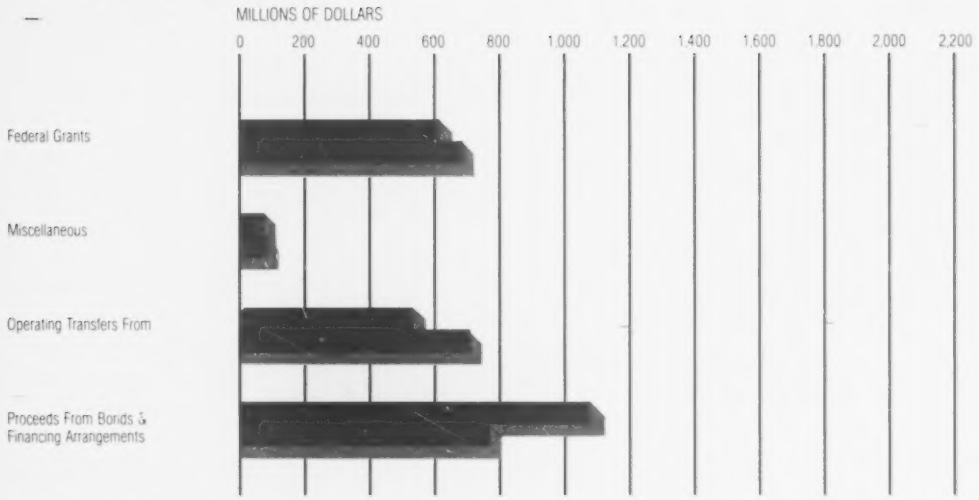
Mental Hygiene Capital Improvement Fund—to account for mental hygiene capital projects financed by the New York State Medical Care Facilities Finance Agency.

Correctional Facilities Capital Improvement Fund—to account for correctional facility capital projects financed by the Urban Development Corporation.

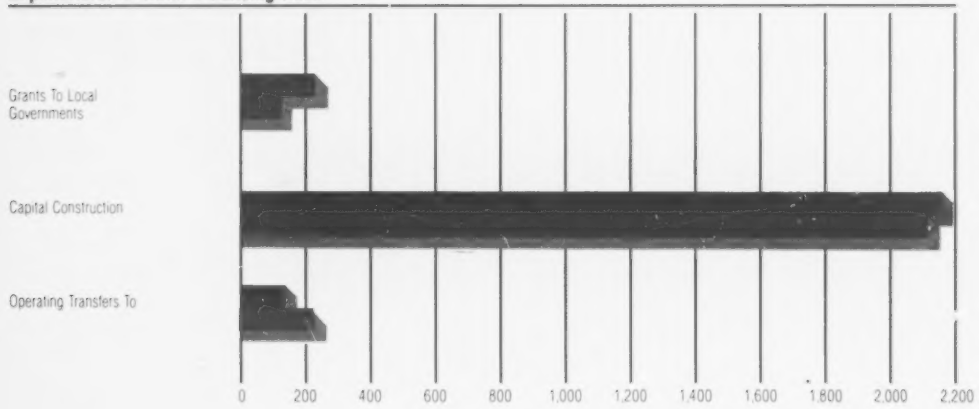
Miscellaneous—to account for various capital projects financed from the sale of land or other resources, gifts, grants or other miscellaneous revenue sources earmarked for capital purposes or from transfers from the New York State Infrastructure Trust Account.

CAPITAL PROJECTS FUNDS

Revenues & Other Financing Sources



Expenditures & Other Financing Uses



FY 1990 FY 1989

Capital Projects Funds—
Combining Balance Sheet

March 31, 1990
(Amounts in thousands)

	State Capital Projects	Energy Conservation/ Improved Transportation Bond	Pure Waters Bond	Outdoor Recreation Development Bond	Transportation Capital Facilities Bond	Environmental Quality Protection Bond	Rail Preservation and Development Bond
ASSETS:							
Cash and investments	$ 146,350	$ 10,870	$ 1,539	$ –	$ 632	$ 23,105	$ 5,846
Receivables, net of allowance for uncollectibles:							
Due from Federal government	–	–	–	–	–	–	–
Other	53,378	–	–	–	–	–	–
Due from other funds	1,019	–	–	–	–		
Marketable securities held in lieu of retainage	75,243	–	–	–	–	–	–
Total assets	**$ 275,990**	**$ 10,870**	**$ 1,539**	**$ –**	**$ 632**	**$ 23,105**	**$ 5,846**
LIABILITIES:							
Payable to local governments	$ 22,008	$ –	$ –	$ –	$ –	$ –	$ –
Accrued liabilities	3,249	–	–	–	–	–	–
Accounts payable	260,534	–	–	–	–	–	–
Due to other funds	5,123	–	–	–	–	–	–
Deferred revenues	2,612	–	–	–	–	–	–
Notes payable	–	–	–	–	–	13,150	–
Total liabilities	**293,526**	**–**	**–**	**–**	**–**	**13,150**	**–**
EQUITY (DEFICIT):							
Fund balances (deficits):							
Reserved for:							
Encumbrances	2,013,222	–	–	–	–	–	–
Other specified purposes	49,366	–	–	–	–	–	–
Unreserved	(2,080,124)	10,870	1,539	–	632	9,955	5,846
Total equity (deficit)	**(17,536)**	**10,870**	**1,539**	**–**	**632**	**9,955**	**5,846**
Commitments and contingencies							
Total liabilities and fund equity	**$ 275,990**	**$ 10,870**	**$ 1,539**	**$ –**	**$ 632**	**$ 23,105**	**$ 5,846**

Transportation Infrastructure Renewal Bond	Environmental Quality Bond	Accelerated Capacity and Transportation Improvements	Federal Capital Projects	Suburban Transportation	Mental Hygiene Capital Improvement	Correctional Facilities Capital Improvement	Miscellaneous	Totals 1990	Totals 1989
$ 27,793	$ 11,340	$ 30,270	$ 2,728	$ 16,362	$ –	$ –	$ 19,655	**$ 296,490**	$ 283,296
–	–	–	122,361	–	–	–	714	**123,075**	116,758
–	–	–	–	–	–	–	–	**53,378**	49,126
–	–	–	1,644	–	–	179	117	**2,959**	25,687
–	–	–	–	–	–	–	–	**75,243**	67,237
$ 27,793	**$ 11,340**	**$ 30,270**	**$ 126,733**	**$ 16,362**	**$ –**	**$ 179**	**$ 20,486**	**$ 551,145**	**$ 542,104**
$ –	$ –	$ –	23,356	$ –	$ –	$ –	$ –	**$ 45,364**	$ –
–	–	–	1,839	–	–	–	7,961	**13,049**	3,240
–	–	–	76,477	–	10,031	26,794	17,074	**390,910**	360,916
–	–	–	25,061	128	86,064	46,718	35,919	**199,013**	44,100
–	–	–	–	–	–	–	–	**2,612**	2,298
193,000	4,000	31,850	–	–	–	–	–	**242,000**	293,000
193,000	**4,000**	**31,850**	**126,733**	**128**	**96,095**	**73,512**	**60,954**	**892,948**	**703,554**
–	–	–	1,104,589	–	–	–	169,322	**3,287,133**	2,622,381
–	–	–	–	–	–	–	–	**49,366**	46,707
(165,207)	7,340	(1,580)	(1,104,589)	16,234	(96,095)	(73,333)	(209,790)	**(3,578,302)**	(2,830,538)
(165,207)	**7,340**	**(1,580)**	**–**	**16,234**	**(96,095)**	**(73,333)**	**(40,468)**	**(341,803)**	**(161,450)**
$ 27,793	**$ 11,340**	**$ 30,270**	**$ 126,733**	**$ 16,362**	**$ –**	**$ 179**	**$ 20,486**	**$ 551,145**	**$ 542,104**

Capital Projects Funds— Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Year Ended March 31, 1990
(Amounts in thousands)

	State Capital Projects	Energy Conservation/ Improved Transportation Bond	Pure Waters Bond	Outdoor Recreation Development Bond	Transportation Capital Facilities Bond	Environmental Quality Protection Bond	Rail Preservation and Development Bond	Transportation Infrastructure Renewal Bond
REVENUES:								
Federal grants	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Miscellaneous	48,768	–	–	–	–	–	–	–
Total revenues	**48,768**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
EXPENDITURES:								
Grants to local governments:								
Education	6,227	–	–	–	–	–	–	–
Mental hygiene	29,172	–	–	–	–	–	–	–
Health and environment	82,006	–	–	–	–	–	–	–
Transportation	38,460	–	–	–	–	–	–	–
Other programs	2,237	–	–	–	–	–	–	–
Capital construction	1,018,969	–	–	–	–	–	–	–
Total expenditures	**1,177,071**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Excess (deficiency) of revenues over expenditures	**(1,128,303)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other financing sources (uses):								
Operating transfers from other funds	1,217,057	–	–	–	–	–	–	–
Operating transfers to other funds	(235,316)	(9,617)	(22,701)	(196)	(8,857)	(64,058)	(3,431)	(189,631)
Proceeds of general obligation bonds	–	–	23,400	–	8,150	53,340	–	252,700
Proceeds from financing arrangements/advance refundings	162,254	–	–	–	–	–	–	–
Net other financing sources (uses)	**1,143,995**	**(9,617)**	**699**	**(196)**	**(707)**	**(10,718)**	**(3,431)**	**63,069**
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	15,692	(9,617)	699	(196)	(707)	(10,718)	(3,431)	63,069
Fund balances (deficits) at April 1, 1989	(33,228)	20,487	840	196	1,339	20,673	9,277	(228,276)
Fund balances (deficits) at March 31, 1990	**$ (17,536)**	**$ 10,870**	**$ 1,539**	**$ –**	**$ 632**	**$ 9,955**	**$ 5,846**	**$ (165,207)**

Environmental Quality Bond	Accelerated Capacity and Transportation Improvements	Federal Capital Projects	Suburban Transportation	Mental Hygiene Capital Improvement	Correctional Facilities Capital Improvement	Miscellaneous	Eliminations	Totals 1990	Totals 1989
$ –	$ –	$ 625,533	$ –	$ –	$ –	$ –	$ –	$ 625,533	$ 688,620
128	–	–	21,856	–	–	12,790	–	83,542	85,074
128	–	625,533	21,856	–	–	12,790	–	709,075	773,694
–	–	–	–	–	–	–	–	6,227	6,307
–	–	–	–	–	–	–	–	29,172	28,147
–	–	23,131	–	–	–	–	–	105,137	65,821
–	–	5,479	–	–	–	–	–	43,939	16,090
–	–	–	–	–	–	28,605	–	30,842	3,615
–	–	538,787	–	192,641	176,400	251,085	–	2,177,882	2,115,623
–	–	567,397	–	192,641	176,400	279,690	–	2,393,199	2,235,603
128	–	58,136	21,856	(192,641)	(176,400)	(266,900)	–	(1,684,124)	(1,461,909)
–	–	6,074	–	–	–	206,460	(897,804)	531,787	722,793
(103,359)	(210,017)	(64,210)	(31,025)	(48,745)	(37,954)	(4,509)	897,804	(135,822)	(225,900)
103,800	217,850	–	–	–	–	–	–	859,240	246,870
–	–	–	–	145,291	141,021	–	–	448,556	533,756
441	7,833	(58,136)	(31,025)	96,546	103,067	201,951	–	1,503,771	1,277,519
569	7,833	–	(9,169)	(96,095)	(73,333)	(64,949)	–	(180,353)	(184,390)
6,771	(9,413)	–	25,403	–	–	24,481	–	(161,450)	22,940
$ 7,340	$ (1,580)	$ –	$ 16,234	$ (96,095)	$ (73,333)	$ (40,468)	$ –	$ (341,803)	$ (161,450)

Capital Projects Funds—
Combining Schedule of Cash Receipts and Disbursements
Budgetary Basis—Financial Plan and Actual

Year Ended March 31, 1990
(Amounts in thousands)

	State Capital Projects			Federal Capital Projects		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Miscellaneous	$ 593,000	$ 130,000	$ (463,000)	$ –	$ –	$ –
Federal grants	–	–	–	773,000	618,500	(154,500)
Total receipts	**593,000**	**130,000**	**(463,000)**	**773,000**	**618,500**	**(154,500)**
DISBURSEMENTS:						
Departmental operations	–	–	–	–	–	–
General state charges	–	–	–	–	–	–
Capital projects	1,771,000	1,234,500	536,500	690,000	544,600	145,400
Total disbursements	**1,771,000**	**1,234,500**	**536,500**	**690,000**	**544,600**	**145,400**
Excess (deficiency) of receipts over disbursements	**(1,178,000)**	**(1,104,500)**	**73,500**	**83,000**	**73,900**	**(9,100)**
OTHER FINANCING SOURCES (USES):						
Bond and note proceeds, net	–	–	–	–	–	–
Redemption of STIP notes	–	–	–	–	400	400
Transfers from other funds	1,280,000	1,232,700	(47,300)	25,000	27,300	2,300
Transfers to other funds	(102,000)	(109,200)	(7,200)	(108,000)	(101,300)	6,700
Net other financing sources (uses)	**1,178,000**	**1,123,500**	**(54,500)**	**(83,000)**	**(73,600)**	**9,400**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ –**	**$ 19,000**	**$ 19,000**	**$ –**	**$ 300**	**$ 300**

Other			Eliminations		Total		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Financial Plan	Actual	Favorable (Unfavorable) Variance
$ 67,000	$ 321,100	$ 254,100	$ –	$ –	$ 660,000	$ 451,100	$ (208,900)
–	100	100	–	–	773,000	618,600	(154,400)
67,000	**321,200**	**254,200**	**–**	**–**	**1,433,000**	**1,069,700**	**(363,300)**
6,000	5,100	900	–	–	6,000	5,100	900
–	500	(500)	–	–	–	500	(500)
301,000	621,000	(320,000)	–	–	2,762,000	2,400,100	361,900
307,000	**626,600**	**(319,600)**	**–**	**–**	**2,768,000**	**2,405,700**	**362,300**
(240,000)	**(305,400)**	**(65,400)**	**–**	**–**	**(1,335,000)**	**(1,336,000)**	**(1,000)**
653,000	608,200	(44,800)	–	–	653,000	608,200	(44,800)
24,000	23,700	(300)	–	–	24,000	24,100	100
273,000	371,600	98,600	(859,000)	(863,200)	719,000	768,400	49,400
(693,000)	(696,000)	(3,000)	859,000	863,200	(44,000)	(43,300)	700
257,000	**307,500**	**50,500**	**–**	**–**	**1,352,000**	**1,357,400**	**5,400**
$ 17,000	**$ 2,100**	**$ (14,900)**	**$ –**	**$ –**	**$ 17,000**	**$ 21,400**	**$ 4,400**

Trust & Agency Funds

Trust and Agency Funds are used to account for assets held by the State in a fiduciary capacity or as an agent for individuals, private organizations or other governments and include Expendable Trust Funds, Nonexpendable Trust Funds, the State and Local Retirement System Fund and Agency Funds.

Expendable Trust Funds:

Unemployment Insurance Benefit Fund—accounts for the transfers from the Federal Unemployment Trust Fund in the U.S. Treasury to the State for the payment of unemployment compensation benefits.

Other Expendable Trust Funds—accounts for various gifts, bequests or contributions made to the State to be expended for purposes specified by the donor, such as for the benefit of mental hygiene patients.

Nonexpendable Trust Funds:

Student Loan Funds—accounts for the operations of the student loan programs administered by SUNY and CUNY.

Endowment Funds—accounts for SUNY and CUNY endowment funds which account for various gifts and bequests; the principal of which must be preserved intact with only the interest income available for expenditure for purposes specified by the donor.

Other Nonexpendable Trust Funds—accounts for various loan programs administered by State agencies, such as the equipment loan program administered by the Department of Social Services or for various gifts and bequests; the principal of which must be preserved intact with only the interest income available for expenditure for purposes specified by the donor; such as an annual award to an outstanding State trooper.

State and Local Retirement System—accounts for the payment of retirement, disability and death benefits to members of the New York State and Local Employees' Retirement System and the New York State Police and Fire Retirement System and their beneficiaries.

Agency Funds:

Employee Benefit and Payroll Related Funds—account for various employee benefit programs, such as the NYS employee health insurance program, or for the disposition of various payroll related deductions, such as for social security contributions.

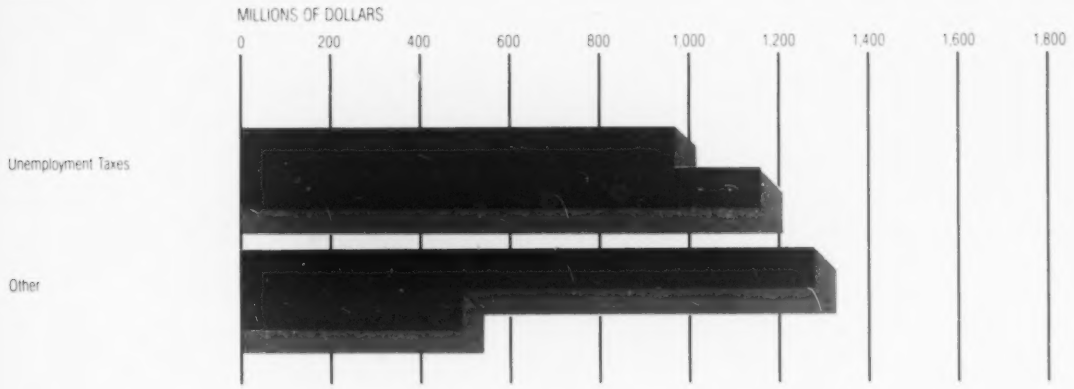
Lottery Prize Fund—accounts for the payment of lottery prizes by the Division of the Lottery.

MMIS Statewide Escrow Fund—accounts for the transfers from other funds of the federal, state and local shares of Medicaid program expenditures to a paying agent for ultimate payment to health care providers.

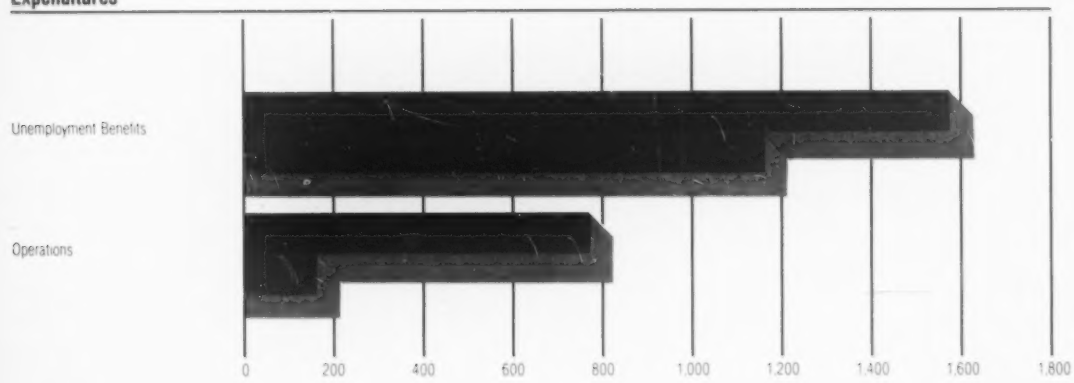
Other Agency Funds—accounts for various escrow, revenue collection and agency accounts for which the State acts in an agent's capacity until the proper disposition of the assets can be made. This includes accounting for advances from New York City for paying CUNY operating costs and for constructing New York City correctional facilities.

TRUST & AGENCY FUNDS

Revenues



Expenditures



FY 1990 FY 1989

Trust and Agency Funds—Combining Balance Sheet

March 31, 1990
(Amounts in thousands)

	Expendable Trust Funds			
	Mental Hygiene Gifts and Donations	Combined Expendable Trust	Unemployment Insurance Benefit Account	Sole Custody
ASSETS:				
Cash and investments	$ 840	$ 21,897	$ 2,771,539	$ 565,805
Retirement system investments	–	–	–	–
Receivables, net of allowances for uncollectibles:				
Taxes	–	–	527,668	–
Due from Federal government	–	–	22	–
Other	–	–	98,937	1,062
Due from other funds	1	216	–	–
Other assets	–	–	–	–
Total assets	$ 841	$ 22,113	$ 3,398,166	$ 566,867
LIABILITIES:				
Payable to local governments	$ –	$ –	$ –	$ –
Accrued liabilities	–	119	90,912	–
Accounts payable	25	1,846	–	–
Due to other funds	–	512	–	–
Total liabilities	25	2,477	90,912	–
EQUITY:				
Fund balances:				
Reserved for:				
Net retirement system assets available for benefits	–	–	–	–
Unemployment benefits	–	–	3,307,254	–
Other specified purposes	816	19,636	–	566,867
Total equity	816	19,636	3,307,254	566,867
Commitments and contingencies				
Total liabilities and equity	$ 841	$ 22,113	$ 3,398,166	$ 566,867

Nonexpendable Trust Funds

SUNY Student Loan	Housing Development	CUNY Student Loan	CUNY Endowment	SUNY Endowment	Miscellaneous	State and Local Retirement System
$ [illegible]	$ 731	$ 1,410	$ 25,524	$ 213,333	$ 8,555	$ –
–	–	–	–	–	–	45,189,271
–	–	–	–	–	–	–
–	–	–	–	–	–	–
[illegible]	–	25,692	4	–	–	2,397,504
[illegible]	–	–	–	–	7	–
–	–	–	–	–	–	6,276
$ 106,117	$ 731	$ 27,102	$ 25,528	$ 213,333	$ 8,562	$ 47,593,051
$ –	$ –	$ –	$ –	$ –	$ –	$ –
–	–	59	173	79	4	446,189
[illegible]	–	12	–	–	63	–
–	–	–	–	–	5	–
906	–	71	173	79	72	446,189
–	–	–	–	–	–	47,146,862
–	–	–	–	–	–	–
[illegible]	731	27,031	25,355	213,254	8,490	–
105,211	731	27,031	25,355	213,254	8,490	47,146,862
$ [illegible]	$ 731	$ 27,102	$ 25,528	$ 213,333	$ 8,562	$ 47,593,051

Trust and Agency Funds—
Combining Balance Sheet (cont'd)

March 31, 1990
(Amounts in thousands)

	Agency						
	Employees Health Insurance	Social Security Contribution	NYS Employee Payroll Withholding	Management Confidential Group Insurance	Lottery Prize	Fringe Benefit Escrow	CUNY Senior College Operating
ASSETS:							
Cash and investments	$ 166,025	$ 2,429	$ 48,824	$ 1,135	$ 988,059	$ 1,504	$ 9,582
Retirement system investments	–	–	–	–	–	–	–
Receivables, net of allowances for uncollectibles:							
Taxes	–	–	–	–	–	–	–
Due from Federal government	–	–	–	–	–	–	–
Other	–	–	–	–	25,322	75,522	543
Due from other funds	–	–	–	–	–	–	32
Other assets	–	–	–	–	–	–	–
Total assets	**$ 166,025**	**$ 2,429**	**$ 48,824**	**$ 1,135**	**$ 1,013,381**	**$ 77,026**	**$ 10,157**
LIABILITIES:							
Payable to local governments	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Accrued liabilities	124,980	2,429	–	1,135	1,013,381	61,321	–
Agency liabilities	41,045	–	48,824	–	–	39	10,156
Due to other funds	–	–	–	–	–	15,666	1
Total liabilities	**166,025**	**2,429**	**48,824**	**1,135**	**1,013,381**	**77,026**	**10,157**
EQUITY:							
Fund balances:							
Reserved for:							
Net retirement system assets available for benefits	–	–	–	–	–	–	–
Unemployment benefits	–	–	–	–	–	–	–
Other specified purposes	–	–	–	–	–	–	–
Total equity	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Commitments and contingencies							
Total liabilities and equity	**$ 166,025**	**$ 2,429**	**$ 48,824**	**$ 1,135**	**$ 1,013,381**	**$ 77,026**	**$ 10,157**

Funds

MMIS Statewide Escrow	SUNY Collection	Correctional Facilities Capital Projects	CUNY	Sole Custody	Miscellaneous	Totals 1990	Totals 1989
–							
$ 205,504	$ 42,463	$ 12,645	$ 2,964	$ 2,310,280	$ 239,549	$ 7,643,056	$ 7,567,365
–	–	–	–	–	–	45,189,271	40,280,644
–	–	–	–	–	–	527,668	516,774
–	–	–	–	–	–	22	37
679	–	11	210	73,957	78	2,699,924	3,201,611
17	2,151	–	–	5,953	13,965	125,565	218,370
–	–	–	51	–	–	6,359	7,424
$ 206,200	**$ 44,614**	**$ 12,656**	**$ 3,225**	**$ 2,390,190**	**$ 253,592**	**$ 56,191,865**	**$ 51,792,225**
$ –	$ –	$ 11	$ –	$ 1,309,345	$ –	$ 1,309,356	$ 1,408,476
102,509	7,694	11,296	2,953	1,080,845	184,351	3,130,429	3,202,024
103,691	–	1,349	272	–	11,429	219,656	166,729
–	36,920	–	–	–	57,812	110,917	39,103
206,200	**44,614**	**12,656**	**3,225**	**2,390,190**	**253,592**	**4,770,358**	**4,816,332**
–	–	–	–	–	–	47,146,862	42,867,529
–	–	–	–	–	–	3,307,254	3,629,351
–	–	–	–	–	–	967,391	479,013
–	**–**	**–**	**–**	**–**	**–**	51,421,507	46,975,893
$ 206,200	**$ 44,614**	**$ 12,656**	**$ 3,225**	**$ 2,390,190**	**$ 253,592**	**$ 56,191,865**	**$ 51,792,225**

Expendable Trust Funds– Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended March 31, 1990
(Amounts in thousands)

	Mental Hygiene Gifts and Donations	Combined Expendable Trust	Unemployment Insurance Benefit Account	Sole Custody	Totals 1990	Totals 1989
REVENUES:						
Unemployment taxes	$ –	$ –	$ 970,806	$ –	$ 970,806	$ 1,171,470
Federal grants	–	–	18,198	–	18,198	16,221
Miscellaneous	296	12,231	286,829	843,711	1,143,067	424,643
Total revenues	296	12,231	1,275,833	843,711	2,132,071	1,612,334
EXPENDITURES:						
Operation of state departments and agencies						
Personal service costs	–	2,765	–	–	2,765	2,583
Non-personal service costs	214	9,707	–	734,348	744,269	131,839
Other fringe benefits	–	672	–	–	672	474
Unemployment benefits	–	–	1,597,930	–	1,597,930	1,118,598
Total expenditures	214	13,144	1,597,930	734,348	2,345,636	1,253,494
Excess (deficiency) of revenues over expenditures	82	(913)	(322,097)	109,363	(213,565)	358,840
Operating transfers to other funds	–	–	–	(1,192)	(1,192)	–
Excess (deficiency) of revenues over expenditures and operating transfers to other funds	82	(913)	(322,097)	108,171	(214,757)	358,840
Fund balances at April 1, 1989, as restated	734	20,549	3,629,351	458,696	4,109,330	3,433,710
Fund balances at March 31, 1990	$ 816	$ 19,636	$ 3,307,254	$ 566,867	$ 3,894,573	$ 3,792,550

Nonexpendable Trust Funds—Combining Statement of Revenues, Expenses and Changes in Fund Balances

Year Ended March 31, 1990
(Amounts in thousands)

	SUNY Student Loan	Housing Development	CUNY Student Loan	CUNY Endowment
Operating revenues	$ 2,974	$ 1,004	$ 2,695	$ 5,218
Operating expenses	–	7,939	2,804	26,005
Operating income (loss)	**2,974**	**(6,935)**	**(109)**	**(20,787)**
Non-State subsidies and grants	1,100	–	–	–
Income (loss) before operating transfers	**4,074**	**(6,935)**	**(109)**	**(20,787)**
Operating transfers from other funds	–	4,500	–	–
Operating transfers to other funds	–	–	–	–
Net income (loss)	4,074	(2,435)	(109)	(20,787)
Fund balances at April 1, 1989	101,137	3,166	27,140	46,142
Fund balances at March 31, 1990	**$ 105,211**	**$ 731**	**$ 27,031**	**$ 25,355**

Nonexpendable Trust Funds— Combining Statement of Revenues, Expenses and Changes in Fund Balances (cont'd)

Year Ended March 31, 1990
(Amounts in thousands)

	SUNY Endowment	Miscellaneous	Totals 1990	Totals 1989
Operating revenues	$ 83,482	$ 866	$ 96,239	$ 23,972
Operating expenses	114	1,200	38,062	17,113
Operating income (loss)	83,368	(334)	58,177	6,859
Non-State subsidies and grants	–	–	1,100	4,062
Income (loss) before operating transfers	83,368	(334)	59,277	10,921
Operating transfers from other funds	–	481	4,981	2,000
Operating transfers to other funds	–	–	–	(450)
Net income (loss)	83,368	147	64,258	12,471
Fund balances at April 1, 1989	129,886	8,343	315,814	303,343
Fund balances at March 31, 1990	$ 213,254	$ 8,490	$ 380,072	$ 315,814

Nonexpendable Trust Funds—Combining Statement of Changes in Financial Position

Year Ended March 31, 1990
(Amounts in thousands)

	SUNY Student Loan	Housing Development	CUNY Student Loan	CUNY Endowment
SOURCES OF CASH AND INVESTMENTS:				
Operations:				
Net income (loss)	$ 4,074	$ (2,435)	$ (109)	$ (20,787)
Total source of cash and investments from operations	**4,074**	**(2,435)**	**(109)**	**(20,787)**
Increase in accounts payable	171	–	6	–
Increase in accrued liabilities	–	–	–	143
Increase in due to other funds	–	–	–	–
Decrease in other receivables	–	–	–	229
Other	–	674	–	–
Total cash and investments provided	**4,245**	**(1,761)**	**(103)**	**(20,415)**
USES OF CASH AND INVESTMENTS:				
Decrease in accrued liabilities	–	–	1	–
Decrease in accounts payable	–	1,648	–	–
Increase in other receivables	3,459	–	1,927	–
Increase in due from other funds	929	–	–	–
Other	44	–	–	–
Total cash and investments used	**4,432**	**1,648**	**1,928**	**–**
Net increase (decrease) in cash and investments	(187)	(3,409)	(2,031)	(20,415)
Cash and investments at beginning of year	2,646	4,140	3,441	45,939
Cash and investments at end of year	**$ 2,459**	**$ 731**	**$ 1,410**	**$ 25,524**

Nonexpendable Trust Funds— Combining Statement of Changes in Financial Position (cont'd)

Year Ended March 31, 1990
(Amounts in thousands)

	SUNY Endowment	Miscellaneous	Total 1990	Total 1989
SOURCES OF CASH AND INVESTMENTS:				
Operations:				
Net income (loss)	$ 83,368	$ 147	$ 64,258	$ 12,471
Total source of cash and investments from operations	83,368	147	64,258	12,471
Increase in accounts payable	–	57	234	1,648
Increase in accrued liabilities	–	–	143	107
Increase in due to other funds	–	–	–	44
Decrease in other receivables	–	–	229	4,453
Other	–	1,151	1,825	293
Total cash and investments provided	83,368	1,355	66,689	19,016
USES OF CASH AND INVESTMENTS:				
Decrease in accrued liabilities	20	1	22	3
Decrease in accounts payable	–	–	1,648	926
Increase in other receivables	–	–	5,386	161
Increase in due from other funds	–	–	929	1,832
Other	–	–	44	–
Total cash and investments used	20	1	8,029	2,922
Net increase (decrease) in cash and investments	83,348	1,354	58,660	16,094
Cash and investments at beginning of year	129,985	7,201	193,352	177,258
Cash and investments at end of year	$ 213,333	$ 8,555	$ 252,012	$ 193,352

Agency Funds—
Combining Statement of Changes in Assets and Liabilities—
All Agency Funds

March 31, 1990
(Amounts in thousands)

	Balance April 1, 1989	Additions	Deductions	Balance March 31, 1990
Employees Health Insurance				
ASSETS:				
Cash and investments	$ 104,070	$ 1,650,195	$ 1,588,240	$ 166,025
Due from other funds	16,846	10,538	27,384	—
Total assets	$ 120,916	$ 1,660,733	$ 1,615,624	$ 166,025
LIABILITIES:				
Accrued liabilities	$ 73,688	$ 1,690,447	$ 1,639,155	$ 124,980
Accounts payable	47,228	1,577,312	1,583,495	41,045
Due to other funds	—	2,520	2,520	—
Total liabilities	$ 120,916	$ 3,270,279	$ 3,225,170	$ 166,025
NYS Employee Payroll Withholding				
ASSETS:				
Cash and investments	$ 47,705	$ 4,935,148	$ 4,934,029	$ 48,824
Due from other funds	5,626	3,445	9,071	—
Total assets	$ 53,331	$ 4,938,593	$ 4,943,100	$ 48,824
LIABILITIES:				
Accrued liabilities	$ 2,816	$ 3,543,768	$ 3,546,584	$ —
Accounts payable	50,515	4,858,524	4,860,215	48,824
Due to other funds	—	10,456	10,456	—
Total liabilities	$ 53,331	$ 8,412,748	$ 8,417,255	$ 48,824

Agency Funds—
Combining Statement of Changes in Assets and Liabilities—
All Agency Funds (cont'd)

March 31, 1990
(Amounts in thousands)

	Balance April 1, 1989	Additions	Deductions	Balance March 31, 1990
Lottery Prize				
ASSETS:				
Cash and investments	$ 848,284	$ 1,495,397	$ 1,355,622	$ 988,059
Due from other funds	15,823	41,945	32,446	25,322
Total assets	$ 864,107	$ 1,537,342	$ 1,388,068	$ 1,013,381
LIABILITIES:				
Accrued liabilities	$ 864,107	$ 1,267,483	$ — 1,118,209	$ 1,013,381
Accounts payable	—	400,259	400,259	—
Due to other funds	—	31,222	31,222	—
Total liabilities	$ 864,107	$ 1,698,964	$ 1,549,690	$ 1,013,381
Fringe Benefit Escrow				
ASSETS:				
Cash and investments	$ 2,391	$ 284,453	$ 285,340	$ 1,504
Due from other funds	52,764	247,494	224,736	75,522
Total assets	$ 55,155	$ 531,947	$ 510,076	$ 77,026
LIABILITIES:				
Accrued liabilities	$ 47,441	$ 342,965	$ 329,085	$ 61,321
Accounts payable	2,415	184,196	186,572	39
Due to other funds	5,299	20,694	10,327	15,666
Total liabilities	$ 55,155	$ 547,855	$ 525,984	$ 77,026

Agency Funds—
Combining Statement of Changes in Assets and Liabilities—
All Agency Funds (cont'd)

March 31, 1990
(Amounts in thousands)

	Balance April 1, 1989	Additions	Deductions	Balance March 31, 1990
MMIS Statewide Escrow				
ASSETS:				
Cash and investments	$ 207,998	$ 11,261,042	$ 11,263,536	$ 205,504
Receivables, net of allowances for uncollectibles				
Other	680	–	1	679
Due from other funds	33,856	1,027,730	1,061,569	17
Total assets	$ 242,534	$ 12,288,772	$ 12,325,106	$ 206,200
LIABILITIES:				
Accrued liabilities	$ 203,431	$ 10,721,062	$ 10,821,984	$ 102,509
Accounts payable	39,103	10,742,033	10,677,445	103,691
Due to other funds	–	44,446	44,446	–
Total liabilities	$ 242,534	$ 21,507,541	$ 21,543,875	$ 206,200
Miscellaneous				
ASSETS:				
Cash and investments	$ 2,919,109	$ 6,075,106	$ 6,373,168	$ 2,621,047
Receivables, net of allowances for uncollectibles				
Other	63,597	74,261	63,601	74,257
Due from other funds	85,008	251,549	313,946	22,611
Other assets	704	84	705	83
Total assets	$ 3,068,418	$ 6,401,000	$ 6,751,420	$ 2,717,998
LIABILITIES:				
Payable to local governments	$ 1,408,476	$ 2,701,739	$ 2,800,859	$ 1,309,356
Accrued liabilities	1,603,719	5,730,912	6,043,928	1,290,703
Accounts payable	22,884	1,569,898	1,569,576	23,206
Due to other funds	33,339	801,053	739,659	94,733
Total liabilities	$ 3,068,418	$ 10,803,602	$ 11,154,022	$ 2,717,998

Agency Funds—
Combining Statement of Changes in Assets and Liabilities—
All Agency Funds (cont'd)

March 31, 1990
(Amounts in thousands)

Total Assets and Liabilities—
All Agency Funds

	Balance April 1, 1989	Additions	Deductions	Balance March 31, 1990
ASSETS:				
Cash and investments	$ 4,129,557	$ 25,701,341	$ 25,799,935	$ 4,030,963
Receivables, net of allowances for uncollectibles:				
Other	64,277	74,261	63,602	74,936
Due from other funds	209,923	1,582,701	1,669,152	123,472
Other assets	704	84	705	83
Total assets	$ 4,404,461	$ 27,358,387	$ 27,533,394	$ 4,229,454
LIABILITIES:				
Payable to local governments	$ 1,408,476	$ 2,701,739	$ 2,800,859	$ 1,309,356
Accrued liabilities	2,795,202	23,296,637	23,498,945	2,592,894
Accounts payable	162,145	19,332,222	19,277,562	216,805
Due to other funds	38,638	910,392	838,631	110,399
Total liabilities	$ 4,404,461	$ 46,240,990	$ 46,415,997	$ 4,229,454

General Fixed Assets Account Group

General Fixed Assets Account Group accounts for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets except those accounted for by public benefit corporations and the State's infrastructure fixed assets.

Schedule of General Fixed Assets by Function

March 31, 1990
(Amounts in thousands)

Function	Land	Land Improvements	Buildings	Equipment	Totals
General Government	$ 56,104	$ 24,484	$ 1,663,613	$ 161,632	$ 1,905,833
Education	80,538	44,003	3,666,503	318,224	4,109,268
Economic Development & Regulation	371	4,876	13,123	14,480	32,850
Human Resources	8,262	2,436	58,110	20,440	89,248
Health & Mental Health	108,084	21,492	1,053,954	75,903	1,259,433
Environment	235,759	7,481	37,114	28,514	308,868
Transportation	67,897	18,305	126,737	166,838	379,777
Public Safety	9,731	66,029	830,176	45,888	951,824
Natural Resources & Recreation	133,039	81,359	105,784	10,362	330,544
Total general fixed assets by function	**$ 699,785**	**$ 270,465**	**$ 7,555,114**	**$ 842,281**	**9,367,645**
Construction in progress					641,387
Total general fixed assets					**$ 10,009,032**

Schedule of Changes in General Fixed Assets by Function

Year Ended March 31, 1990
(Amounts in thousands)

Function	Balance April 1, 1989	Additions	Deletions	Net Transfers	Balance March 31, 1990
General Government	$ 1,891,873	$ 33,820	$ 12,950	$ (6,910)	$ 1,905,833
Education	3,844,972	296,038	35,221	3,479	4,109,268
Economic Development & Regulation	25,319	4,586	1,684	4,629	32,850
Human Resources	88,863	10,335	418	(9,532)	89,248
Health & Mental Health	1,145,884	111,758	7,387	9,178	1,259,433
Environment	223,483	89,960	5,799	1,224	308,868
Transportation	341,041	51,431	8,471	(4,224)	379,777
Public Safety	713,132	251,498	12,997	191	951,824
Natural Resources & Recreation	317,281	11,298	–	1,965	330,544
Total general fixed assets by function	**8,591,848**	**$ 860,724**	**$ 84,927**	**$ –**	**9,367,645**
Construction in progress	562,409				641,387
Total general fixed assets	**$ 9,154,257**				**$ 10,009,032**

EXCELSIOR

Public Benefit Corporations

Public benefit corporations (corporations) are legally separate entities that are not operating departments of the State. The corporations are managed independently, outside the appropriated budget process and their powers generally are vested in a governing board. Corporations are established for a variety of purposes for the benefit of the State's citizenry such as economic development, financing and public transportation. They are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts. The Governor, with the approval of the State Senate, appoints most members of the Board of most corporations and either the Governor or the board selects the Chairman and chief operating officer.

Public Benefit Corporations—Combining Balance Sheet

March 31, 1990
(Amounts in thousands)

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Housing Finance Agency	Urban Development Corporation
ASSETS:						
Cash and investments	$ 1,918,407	$ 295,940	$ 2,766,016	$ 2,994,828	$ 1,097,962	$ 562,153
Receivables, net of allowances for uncollectibles						
Loans and leases	–	–	–	6,139,702	3,615,969	2,040,437
Other	129,270	21,028	1,621,402	167,031	170,287	59,104
Fixed assets	3,507,881	1,075,447	9,659,058	6,299	–	1,063
Other assets	140,528	8,531	432,882	13,926	–	71,707
Total assets	**$ 5,696,086**	**$ 1,400,946**	**$ 14,479,358**	**$ 9,321,786**	**$ 4,884,218**	**$ 2,734,464**
LIABILITIES:						
Accrued liabilities	$ 147,727	$ 85,523	$ 1,063,891	$ 283,943	$ 443,448	$ 86,470
Pension contributions payable	–	12,054	1,560,537	1,258	–	–
Accounts payable	–	–	211,280	–	–	–
Deferred revenues	198,305	398	134,223	5,821	26,043	22,056
Notes payable	561,250	–	–	82,616	–	132,387
Bonds payable	3,134,998	272,505	5,835,792	8,840,350	3,982,324	2,091,200
Other long-term liabilities	204,920	–	295,620	–	167,299	526,351
Total liabilities	**4,247,200**	**370,480**	**9,101,343**	**9,213,988**	**4,619,114**	**2,858,464**
EQUITY (DEFICIT):						
Contributed capital	–	102,890	8,267,297	–	–	–
Retained earnings	1,448,886	927,576	(2,889,282)	107,798	265,104	(124,000)
Total equity (deficit)	**1,448,886**	**1,030,466**	**5,378,015**	**107,798**	**265,104**	**(124,000)**
Commitments and contingencies						
Total liabilities and equity (deficit)	**$ 5,696,086**	**$ 1,400,946**	**$ 14,479,358**	**$ 9,321,786**	**$ 4,884,218**	**$ 2,734,464**

State Insurance Fund	SONY Mortgage Agency	Medical Care Facilities Finance Agency	Other Entities	Total	Eliminations	Totals 1990	Totals 1989
$ 3,022,413	$ 878,672	$ 1,571,683	$ 886,695	$ 15,994,769	$ (1,319,849)	**$ 14,674,920**	$ 12,893,369
–	1,910,087	4,049,178	718,329	18,473,702	(5,874,665)	**12,599,037**	11,612,275
371,301	30,676	52,580	404,669	3,027,348	(1,228,314)	**1,799,034**	1,686,637
8,390	–	–	1,194,412	15,452,550	–	**15,452,550**	13,694,917
1,240	56,293	–	60,401	785,508	(251)	**785,257**	899,440
$ 3,403,344	**$ 2,875,728**	**$ 5,673,441**	**$ 3,264,506**	**$ 53,733,877**	**$ (8,423,079)**	**$ 45,310,798**	**$ 40,786,638**
$ 3,130,579	$ 7,823	$ 303,302	$ 394,439	$ 5,947,145	$ (3,046)	**$ 5,944,099**	$ 5,142,352
–	–	–	825	1,574,674	–	**1,574,674**	1,613,739
–	–	2,830	28,661	242,771	–	**242,771**	273,407
272,765	–	16,625	98,735	774,971	–	**774,971**	571,101
–	–	300	61,345	837,898	(132,387)	**705,511**	742,811
–	2,566,186	5,162,881	1,135,169	33,021,405	(8,228,542)	**24,792,863**	22,435,424
–	–	–	186,307	1,380,497	(59,104)	**1,321,393**	1,266,344
3,403,344	**2,574,009**	**5,485,938**	**1,905,481**	**43,779,361**	**(8,423,079)**	**35,356,282**	**32,045,178**
–	–	–	744,477	9,114,664	–	**9,114,664**	5,075,827
–	301,719	187,503	614,548	839,852	–	**839,852**	3,665,633
–	**301,719**	**187,503**	**1,359,025**	**9,954,516**	**–**	**9,954,516**	**8,741,460**
$ 3,403,344	**$ 2,875,728**	**$ 5,673,441**	**$ 3,264,506**	**$ 53,733,877**	**$ (8,423,079)**	**$ 45,310,798**	**$ 40,786,638**

Public Benefit Corporations—Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficits)

Year Ended March 31, 1990
(Amounts in thousands)

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Housing Finance Agency	Urban Development Corporation
OPERATING REVENUES:						
Charges for services	$ 1,159,514	$ 289,860	$ 2,594,442	$ 25,869	$ 9,699	$ –
Financing income	–	–	–	438,266	299,441	83,045
Investment earnings	–	–	–	113,250	39,733	46,452
Miscellaneous	1,404	8,749	76,186	34,588	2,621	5,219
Total operating revenues	**1,160,918**	**298,609**	**2,670,628**	**611,973**	**351,494**	**134,716**
OPERATING EXPENSES:						
Operations	850,989	280,033	4,665,332	99,210	15,438	26,047
Depreciation and amortization	167,789	–	102,672	1,230	25	1,090
Interest	–	–	–	496,538	312,461	171,677
Total operating expenses	**1,018,778**	**280,033**	**4,768,004**	**596,978**	**327,924**	**198,814**
Operating income (loss)	**142,140**	**18,576**	**(2,097,376)**	**14,995**	**23,570**	**(64,098)**
NONOPERATING REVENUES (EXPENSES):						
Non-State subsidies and grants	–	–	1,085,757	–	–	–
Interest revenues	100,050	22,090	50,415	–	–	–
Interest expenses	(227,123)	(9,538)	(102,838)	–	–	–
Other, net	–	17,402	(247,931)	966	350	938
Total nonoperating revenues (expenses)	**(127,073)**	**29,954**	**785,403**	**966**	**350**	**938**
Income (loss) before operating transfers	15,067	48,530	(1,311,973)	15,961	23,920	(63,160)
Operating transfers from other funds	–	–	838,461	–	7,000	76,253
Operating transfers to other funds	–	–	–	(2,429)	(7,000)	–
Net income (loss)	15,067	48,530	(473,512)	13,532	23,920	13,093
Retained earnings (deficit) at beginning of year, as restated	1,433,819	879,046	(2,415,770)	94,266	241,184	(137,093)
Retained earnings (deficit) at end of year	**$ 1,448,886**	**$ 927,576**	**$ (2,889,282)**	**$ 107,798**	**$ 265,104**	**$ (124,000)**

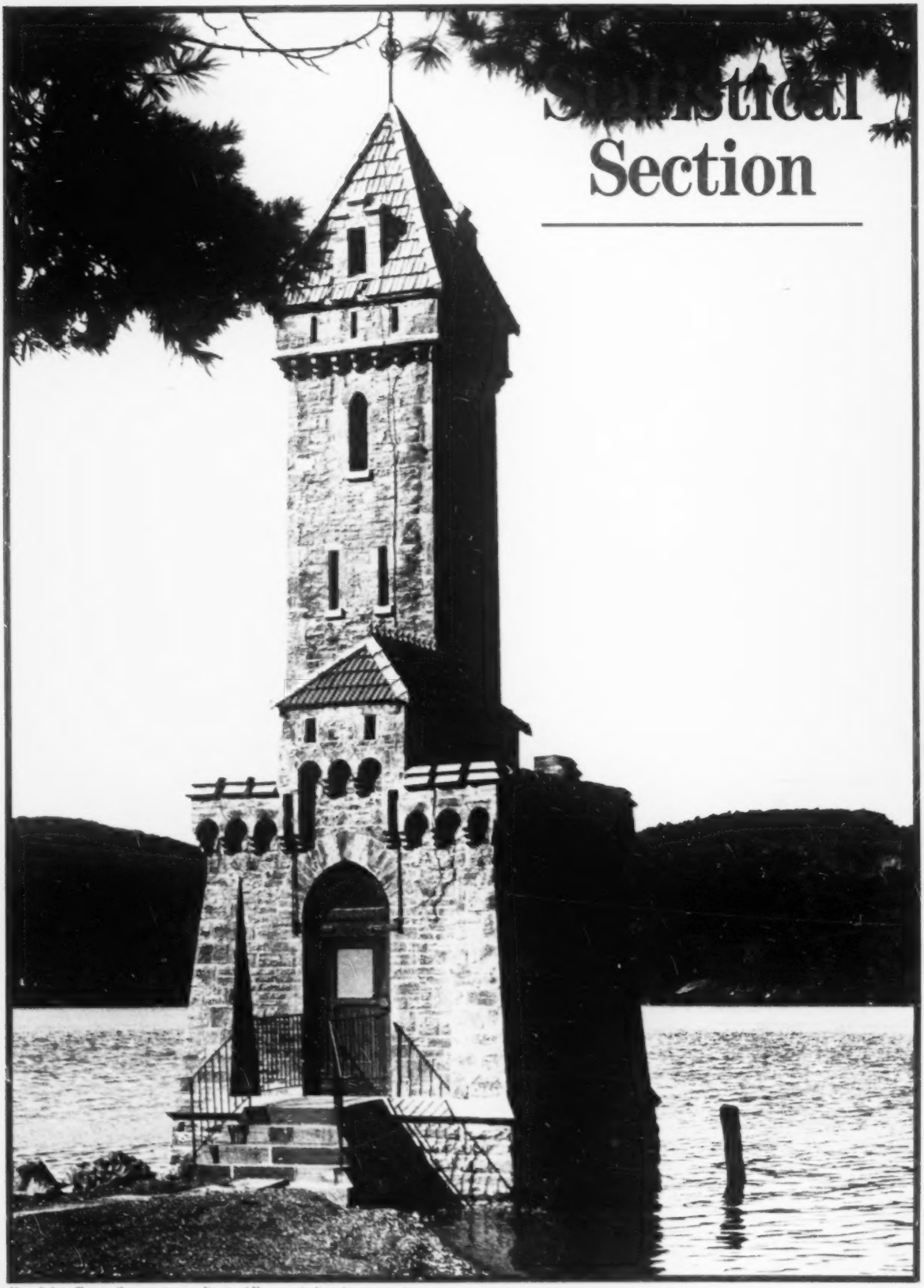
State Insurance Fund	SONY Mortgage Agency	Medical Care Facilities Finance Agency	Other Entities	Total	Eliminations	Totals 1990	Totals 1989
$ 889,387	$ –	$ 6,706	$ 173,416	$ 5,148,893	$ –	$ 5,148,893	$ 4,891,957
–	170,865	358,513	159,781	1,509,911	(464,021)	1,045,890	836,867
275,764	92,268	125,537	19,085	712,089	–	712,089	651,221
7,246	43,327	–	138,099	317,439	–	317,439	266,293
1,172,397	**306,460**	**490,756**	**490,381**	**7,688,332**	**(464,021)**	**7,224,311**	**6,646,338**
1,299,578	3,069	20,613	1,012,220	8,272,529	–	8,272,529	7,429,766
443	21,775	6,138	16,119	317,281	–	317,281	458,204
–	207,270	403,179	–	1,591,125	(464,021)	1,127,104	967,785
1,300,021	**232,114**	**429,930**	**1,028,339**	**10,180,935**	**(464,021)**	**9,716,914**	**8,855,755**
(127,624)	**74,346**	**60,826**	**(537,958)**	**(2,492,603)**	**–**	**(2,492,603)**	**(2,209,417)**
–	–	–	397,904	1,483,661	–	1,483,661	1,736,529
–	–	–	69,412	241,967	–	241,967	238,824
(508)	–	–	(95,502)	(435,509)	–	(435,509)	(514,738)
417,900	(3,853)	(71,173)	26,157	140,756	–	140,756	(328,266)
417,392	**(3,853)**	**(71,173)**	**397,971**	**1,430,875**	**–**	**1,430,875**	**1,132,349**
289,768	70,493	(10,347)	(139,987)	(1,061,728)	–	(1,061,728)	(1,077,068)
–	–	16,603	263,608	1,201,925	–	1,201,925	1,173,787
(250,000)	(8,612)	–	(120,663)	(388,704)	–	(388,704)	(212,003)
39,768	61,881	6,256	2,958	(248,507)	–	(248,507)	(115,284)
(39,768)	239,838	181,247	611,590	1,088,359	–	1,088,359	3,780,917
$ –	$ 301,719	$ 187,503	$ 614,548	$ 839,852	$ –	$ 839,852	$ 3,665,633

Public Benefit Corporations—Combining Statement of Changes in Financial Position

Year Ended March 31, 1990
(Amounts in thousands)

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Housing Finance Agency	Urban Development Corporation
SOURCES OF CASH AND INVESTMENTS:						
Operations:						
Net income	$ 15,067	$ 48,530	$ (473,512)	$ 13,532	$ 23,920	$ 13,093
Items not requiring (providing) cash and investments:						
Depreciation and amortization	167,789	–	102,672	1,230	25	1,090
Other	60,508	(28)	62,585	(1,417)	(6,290)	(5,860)
Total sources of cash and investments from operations	**243,364**	**48,502**	**(308,255)**	**13,345**	**17,655**	**8,323**
Proceeds from issuance of bonds	–	–	729,164	3,303,526	66,605	208,810
Proceeds from issuance of notes	–	–	–	35,032	–	–
Principal collections on loans and leases receivables	–	–	–	284,607	1,113,679	–
Capital contributions	–	–	1,346,017	–	–	–
Increase in accounts payable	–	–	–	–	–	–
Increase in pension contributions payable	–	–	–	–	–	–
Increase in accrued liabilities	3,659	14,417	89,147	91,124	–	38,347
Proceeds from other long-term liabilities	33,860	–	13,724	–	–	25,295
Decrease in other receivables	–	300	167,312	–	265	11,215
Decrease in other assets	–	–	140,199	1,073	–	–
Other	–	–	203,880	–	–	–
Total cash and investments provided	**280,883**	**63,219**	**2,381,188**	**3,728,707**	**1,198,204**	**291,990**
USES OF CASH AND INVESTMENTS:						
Acquisition of fixed assets	337,273	6,534	1,848,445	660	–	251
Repayment of bonds	68,855	31,806	60,721	177,677	1,149,756	44,155
Repayment of notes	–	–	–	87,775	–	4,104
Decrease in accrued liabilities	–	–	–	–	4,799	–
Repayment of other long-term liabilities	–	–	33,162	–	9,475	207
Decrease in accounts payable	–	–	24,595	–	–	–
Loans and leases receivable advanced	–	–	–	2,889,827	65,289	251,733
Increase in other receivables	14,568	–	–	57,942	–	–
Increase in other assets	17,496	523	–	–	–	1,952
Decrease in pension contributions payable	–	1,446	31,455	281	–	–
Other	9,092	–	–	–	–	–
Total cash and investments used	**447,284**	**40,309**	**1,998,378**	**3,214,162**	**1,229,319**	**302,402**
Net increase (decrease) in cash and investments	(166,401)	22,910	382,810	514,545	(31,115)	(10,412)
Cash and investments at beginning of year, as restated	2,084,808	273,030	2,383,206	2,480,283	1,129,077	572,565
Cash and investments at end of year	**$ 1,918,407**	**$ 295,940**	**$ 2,766,016**	**$ 2,994,828**	**$ 1,097,962**	**$ 562,153**

State Insurance Fund	SONY Mortgage Agency	Medical Care Facilities Finance Agency	Other Entities	Total	Eliminations	Totals 1990	Totals 1989
$ 39,768	$ 61,881	$ 6,256	$ 2,958	$ (248,507)	$ –	$ (248,507)	$ (115,284)
443	21,775	6,138	16,119	317,281	–	**317,281**	458,204
67,026	–	(2,039)	29,210	203,695	–	**203,695**	195,340
107,237	**83,656**	**10,355**	**48,287**	**272,469**	**–**	**272,469**	**538,260**
–	316,608	906,904	68,805	5,600,422	(2,147,681)	**3,452,741**	2,824,025
–	–	300	54,041	89,373	–	**89,373**	54,608
–	110,755	406,465	17,486	1,932,992	(1,150,157)	**782,835**	748,514
–	–	–	(1,587)	1,344,430	–	**1,344,430**	917,289
–	–	1,936	3,205	5,141	–	**5,141**	36,609
–	–	–	9	9	–	**9**	67,189
339,972	–	69,959	34,211	680,836	(251)	**680,585**	639,843
–	–	–	26,335	99,214	–	**99,214**	68,577
–	–	–	33,887	212,979	(42,196)	**170,783**	69,612
–	4,957	–	1,220	147,449	–	**147,449**	5,483
–	–	–	46,363	250,243	–	**250,243**	8,605
447,209	**515,976**	**1,395,919**	**332,262**	**10,635,557**	**(3,340,285)**	**7,295,272**	**5,978,614**
414	–	–	89,258	2,282,835	–	**2,282,835**	1,914,826
–	164,289	507,685	48,140	2,253,084	(1,125,427)	**1,127,657**	2,019,462
–	–	–	39,348	131,227	(4,554)	**126,673**	4,499
–	9,652	–	52,545	66,996	–	**66,996**	20,915
–	–	–	12,388	55,232	(11,215)	**44,017**	29,408
–	–	–	11,182	35,777	–	**35,777**	1,878
–	372,577	1,093,474	12,184	4,685,084	(2,915,487)	**1,769,597**	1,661,789
240,105	11,991	10,766	46,214	381,586	(105,895)	**275,691**	322,286
252	–	–	13,983	34,206	(251)	**33,955**	81,578
–	–	–	4,803	37,985	–	**37,985**	606
–	–	–	626	9,718	–	**9,718**	10,303
240,771	**558,509**	**1,611,925**	**330,671**	**9,973,730**	**(4,162,829)**	**5,810,901**	**6,067,550**
206,438	(42,533)	(216,006)	1,591	661,827	822,544	**1,484,371**	(88,936)
2,815,975	921,205	1,787,689	885,104	15,332,942	(2,142,393)	**13,190,549**	12,982,305
$ 3,022,413	**$ 878,672**	**$ 1,571,683**	**$ 886,695**	**$ 15,994,769**	**$ (1,319,849)**	**$ 14,674,920**	**$ 12,893,369**



Statistical Section

Kingfisher Tower, Cooperstown—Dept. of Economic Development photo

Schedule of Revenues, Expenditures and Other Financing Sources (Uses)

ALL GOVERNMENTAL FUNDS
For the Past Ten Fiscal Years

(Amounts in millions)

	1980-81	1981-82	1982-83
REVENUES:			
Taxes	$ 13,597	$ 15,060	$ 16,252
Miscellaneous revenues	2,140	2,782	3,191
Federal grants	5,936	6,955	7,047
Total revenues	**21,673**	**24,797**	**26,490**
EXPENDITURES:			
Grants to local governments	13,136	15,705	17,005
Operations of state departments and agencies	7,144	8,097	9,018
Debt service	858	701	1,143
Capital projects	1,016	996	1,294
Total expenditures	**22,154**	**25,499**	**28,460**
Revenues over (under) expenditures	(481)	(702)	(1,970)
OTHER FINANCING SOURCES (USES):			
Bond proceeds	240	123	747
Proceeds from financing arrangements	–	–	–
Transfers from other funds	23	3,348	3,908
Transfers to other funds	–	(3,093)	(3,512)
Payments on advance refundings	–	–	–
Net other financing sources (uses)	**263**	**378**	**1,143**
Operating revenues and other financing sources over (under) expenditures and other financing uses	**$ (218)**	**$ (324)**	**$ (827)**

Source: Office of the State Comptroller

1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
$ 18,498	$ 20,803	$ 22,255	$ 25,030	$ 25,688	$ 26,849	$ 27,858
2,943	3,555	3,798	4,303	4,602	5,324	5,971
7,432	8,195	8,999	9,436	9,429	10,305	11,535
28,873	**32,553**	**35,052**	**38,769**	**39,719**	**42,478**	**45,364**
17,737	19,591	21,405	23,390	23,656	26,228	28,190
9,543	10,625	11,165	11,951	13,013	13,604	14,626
1,229	1,309	1,315	1,335	1,394	1,561	1,716
1,109	1,328	1,521	1,749	1,720	2,115	2,178
29,618	**32,853**	**35,406**	**38,425**	**39,783**	**43,508**	**46,710**
(745)	(300)	(354)	344	(64)	(1,030)	(1,346)
225	210	160	436	180	247	659
70	64	495	866	896	1,291	2,303
3,396	3,770	3,794	4,473	4,481	5,137	5,727
(3,396)	(3,770)	(3,794)	(4,148)	(5,185)	(5,888)	(6,788)
–	–	–	–	(488)	(757)	(1,728)
295	**274**	**655**	**1,627**	**(116)**	**30**	**173**
$ (450)	**$ (26)**	**$ 301**	**$ 1,971**	**$ (180)**	**$ (1,000)**	**$ (1,173)**

Schedule of Collections of Principal State Taxes

(Amounts in millions)

Fiscal Year	Personal Income Tax	Sales and Use Tax	Motor Fuel Tax	Corporate Franchise Tax	Cigarette Tax	Corporate & Utility Tax	Total Taxes Collected By Year
1980-81	$ 6,617	$ 2,957	$ 436	$ 1,094	$ 336	$ 635	$ 12,075
1981-82	8,040	3,097	430	1,137	338	783	13,825
1982-83	8,227	3,358	423	1,044	333	778	14,163
1983-84	9,417	3,757	396	1,201	438	929	16,138
1984-85	10,391	4,017	384	1,455	434	929	17,610
1985-86	11,482	4,566	440	1,526	425	888	19,327
1986-87	12,238	4,849	466	1,565	407	856	20,381
1987-88	13,921	5,281	470	1,562	401	894	22,529
1988-89	13,844	5,513	459	1,420	384	922	22,542
1989-90 (Projected)	15,670	6,000	526	1,664	554	979	25,393
Total	$ 109,847	$ 43,395	$ 4,430	$ 13,668	$ 4,050	$ 8,593	$ 183,983

Source: Office of the State Comptroller & State Division of the Budget

Schedule of State-Related Debt Per Capita

Fiscal Year	Total State Population (Millions)	General Obligation Debt	State Guaranteed Authority Debt	Lease/Purchase and Contractual Obligation Debt	Moral Obligation Debt	Total Debt
1980-81	17.6	$206	$29	$222	$676	$1,133
1981-82	17.6	209	28	261	711	1,209
1982-83	17.6	216	28	284	714	1,242
1983-84	17.7	212	31	323	731	1,297
1984-85	17.7	215	35	318	726	1,294
1985-86	17.7	211	32	341	707	1,291
1986-87	17.8	218	33	386	721	1,358
1987-88	17.8	217	32	428	673	1,350
1988-89	17.9	219	31	466	647	1,363
1989-90	18.0	222	31	506	615	1,374

Source: Office of the State Comptroller

Schedule of Ratio of Annual Debt Service For General Obligation Debt to Total General Fund Expenditures

Last Ten Fiscal Years

(Amounts in thousands)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures	Ratio of Debt Service to General Expenditures
1990	$291,786	$232,482	$524,268	$30,990,732	1.69%
1989	281,294	234,976	516,270	29,383,200	1.76%
1988	282,765	242,648	525,413	27,186,550	1.93%
1987	261,146	230,268	491,414	25,488,857	1.93%
1986	267,928	234,356	502,284	23,183,666	2.17%
1985	266,599	232,446	499,045	21,442,253	2.33%
1984	259,352	228,461	487,813	19,515,826	2.50%
1983	238,996	192,808	431,804	17,765,153	2.43%
1982	234,910	191,158	426,068	16,944,834	2.51%
1981	224,418	179,368	403,786	14,445,459	2.80%

Source: Office of the State Comptroller

Schedule of Demographic Statistics

Years	Population (1000s)	% of U.S. Population	Per Capita Personal Income	Unemployment (1000s)	Unemployment %
1980	17,558	7.8	$10,721	597	7.5
1981	17,556	7.5	11,466	612	8.6
1982	17,567	7.5	12,314	686	8.6
1983	17,670	7.5	13,581	688	8.6
1984	17,727	7.5	14,867	583	7.2
1985	17,762	7.4	15,803	544	6.5
1986	17,795	7.4	16,958	526	6.3
1987	17,825	7.3	18,055	412	4.9
1988	17,898	7.3	19,299	357	4.2
1989	17,950	7.3	20,613	441	5.1

Source: Significant Features of Fiscal Federalism

Schedule of City Populations Within New York State

City	1930	1940	1950	1960	1970	1980
New York City	6,930,446	7,454,995	7,891,957	7,781,984	7,895,563	7,071,639
Buffalo	573,076	575,901	580,132	532,759	462,768	357,370
Rochester	328,132	324,975	332,488	318,611	295,011	241,741
Yonkers	134,646	142,598	152,798	190,634	204,297	195,301
Syracuse	209,326	205,967	220,583	216,038	197,297	170,105
Albany	127,412	130,577	134,995	129,726	115,781	101,727
Utica	101,740	100,518	101,531	100,410	91,373	75,632
Niagara Falls	75,460	78,029	90,872	102,394	85,615	71,384
Schenectady	95,692	87,549	91,785	81,682	77,859	67,972
Other Areas	4,012,136	4,378,033	5,233,051	7,328,066	8,816,394	9,205,201
Total State Population	12,588,066	13,479,142	14,830,192	16,782,304	18,241,958	17,558,072

Source: U.S. Department of Commerce–Bureau of Census

Schedule of Ten Largest Industrial & Commercial Employers

Firm	Location
The Chase Manhattan Corporation	New York City
Citicorp	New York City
Eastman Kodak Company	Rochester
Federated Department Stores	New York City
General Electric Company	Schenectady
General Motors Corporation	Buffalo
Great Atlantic & Pacific Tea Company	New York City
Grumman Corporation	Bethpage
International Business Machines	Armonk
Sears, Roebuck & Company	Albany

Source: New York State Department of Economic Development

Nonagricultural Employment and Income by Categories

(Amounts in billions)

	Percentage Composition of Employment (1989)		United States		New York State	
	United States	New York	Amount	Percent	Amount	Percent
Construction	4.9%	4.1%	$ 197.1	6.2%	$ 14.1	4.9%
Finance, Insurance and Real Estate	6.3%	9.6%	237.8	7.5%	43.5	15.1%
Government	16.3%	17.5%	510.8	16.0%	44.1	15.3%
Manufacturing and Mining	18.7%	14.5%	661.6	20.7%	42.3	14.7%
Services and Other	24.7%	28.4%	849.3	26.6%	85.8	29.9%
Transportation, Communication and Other Utilities	5.3%	4.9%	215.0	6.7%	17.0	5.9%
Wholesale and Retail	23.8%	21.0%	519.4	16.3%	40.8	14.2%
Total	100.0%	100.0%	$ 3,191.0	100.0%	$ 287.6	100.0%

Source: U.S. & N.Y.S. Departments of Labor; U.S. Department of Commerce

Schedule of Miscellaneous Statistics

March 31, 1990

Date Entered Union	July 26, 1788
Form of government	Legislative–Executive–Judicial
Land area	49,576 square miles
Miles of State Highways	14,843
State Police Protection:	
Number of Troops	10
Number of State Police Employees	4,334
State University of New York (All Campuses):	
Number of campuses in State	70
Number of Faculty	25,045
Number of Students	365,272
Recreation:	
Number of State Parks	148
Area of State Parks	256,414 acres
Historic Sites	34

Source: New York State Statistical Yearbook

STATE OF NEW YORK

Office of the State Comptroller Organization

EDWARD V. REGAN
State Comptroller

Donald G. Dunn
First Deputy Comptroller

Robert H. Attmore
Deputy Comptroller,
Management Audit and Financial Reporting

James E. McGill
Deputy Comptroller,
Pre-Audit and Accounting Operations

Cornelius F. Healy
Deputy Comptroller, Municipal Affairs

John S. Mauhs
Deputy Comptroller, Retirement

Anthony F. Taverni
Deputy Comptroller, Administration

Elinor B. Bachrach
Deputy Comptroller, City of New York

Gail Gordon
Counsel to the Comptroller

Marvin G. Nailor
Press Secretary to the Comptroller

Timothy Murphy
Director, Executive Management Information

George J. Shemo
Director, Internal Audit

John E. Hull
Deputy Comptroller, Investments and Cash Management

Bureau of Financial Reporting

Directors:
Paul W. Wilkes
Thomas E. Waring

Assistant Director:
Gary R. Armstrong

Reporting Managers:
Ronald R. Bolster
David J. Hasso
Robert T. Boyce
John A. Costello

Administrative Support:
Laura Skelly

Bureau of Accounting Operations

Director:
Kenneth J. Preisser

Assistant Director:
Robert L. Seger

Accounting Managers:
Thomas J. Mahoney
William McCormick
Henry J. Dufresne

STATE OF NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED
MARCH 31, 1991

"Accountability requires governments to answer to the citizenry—to justify the raising of public resources and the purposes for which they are used. Governmental accountability is based on the belief that the citizenry has the 'right to know,' a right to receive openly declared facts that may lead to public debate by the citizens and their elected representatives. Financial reporting plays a major role in fulfilling government's duty to be publicly accountable in a democratic society."

GASB

EDWARD V. REGAN
State Comptroller

STATE OF NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended
March 31, 1991

•

Prepared by the Office of the State Comptroller

•

EDWARD V. REGAN • STATE COMPTROLLER

Contents

INTRODUCTORY SECTION

Letter from the Comptroller 7
Certificate of Achievement 15
New York State Organization Chart 16
Selected State Officials 16

FINANCIAL SECTION

Report of Independent Accountants 18

GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Balance Sheet—All Fund Types and Account Groups (Exhibit A) 22
Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)—All Governmental Fund Types and Expendable Trust Funds (Exhibit B) 24
Combined Statement of Cash Receipts and Disbursements—Budgetary Basis—Financial Plan and Actual—Governmental Fund Types (Exhibit C) 25
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances—Nonexpendable Trust Funds, State and Local Retirement System and Public Benefit Corporations (Exhibit D) 27
Combined Statement of Cash Flows—Nonexpendable Trust Funds and Public Benefit Corporations (Exhibit E) 28
Notes to Financial Statements 31

COMBINING FINANCIAL STATEMENTS

General Fund
Narrative 75
Combining Schedule of Balance Sheet Accounts 76
Combining Schedule of Revenue, Expenditure and Changes in Fund Balance (Deficit) Accounts 80
Special Revenue Funds
Special Revenue Funds—Descriptions 85
Combining Balance Sheet 86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) 90
Combining Schedule of Cash Receipts and Disbursements—Budgetary Basis—Financial Plan and Actual 94
Debt Service Funds
Debt Service Funds—Descriptions 99
Combining Balance Sheet 100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) 102

Combining Schedule of Cash Receipts and Disbursements—Budgetary Basis—Financial Plan and Actual 104

Capital Projects Funds

Capital Projects Funds—Descriptions 107

Combining Balance Sheet 108

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) 110

Combining Schedule of Cash Receipts and Disbursements—Budgetary Basis—Financial Plan and Actual 112

Trust and Agency Funds

Trust and Agency Funds—Descriptions 115

Combining Balance Sheet 116

Expendable Trust Funds—Combining Statement of Revenues, Expenditures and Changes in Fund Balances 120

Nonexpendable Trust Funds—Combining Statement of Revenues, Expenses and Changes in Fund Balances 121

Nonexpendable Trust Funds—Combining Statement of Cash Flows 123

Combining Statement of Changes in Assets and Liabilities—All Agency Funds 125

General Fixed Assets Account Group

Narrative 129

Schedule of General Fixed Assets by Function 130

Schedule of Changes in General Fixed Assets by Function 130

Schedule of Changes in General Fixed Assets by Source 131

Public Benefit Corporations

Narrative 133

Combining Balance Sheet 134

Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficits) 136

Combining Statement of Cash Flows 138

STATISTICAL SECTION

Schedule of Revenues, Expenditures and Other Financing Sources (Uses)—All Governmental Funds—for the Ten Past Fiscal Years 142

Schedule of Collections of Principal State Taxes 144

Schedule of State-Related Debt Per Capita 144

Schedule of Ratio of Annual Debt Service for General Obligation Debt to Total General Fund Expenditures 145

Schedule of Demographic Statistics 145

Schedule of City Populations Within New York State 146

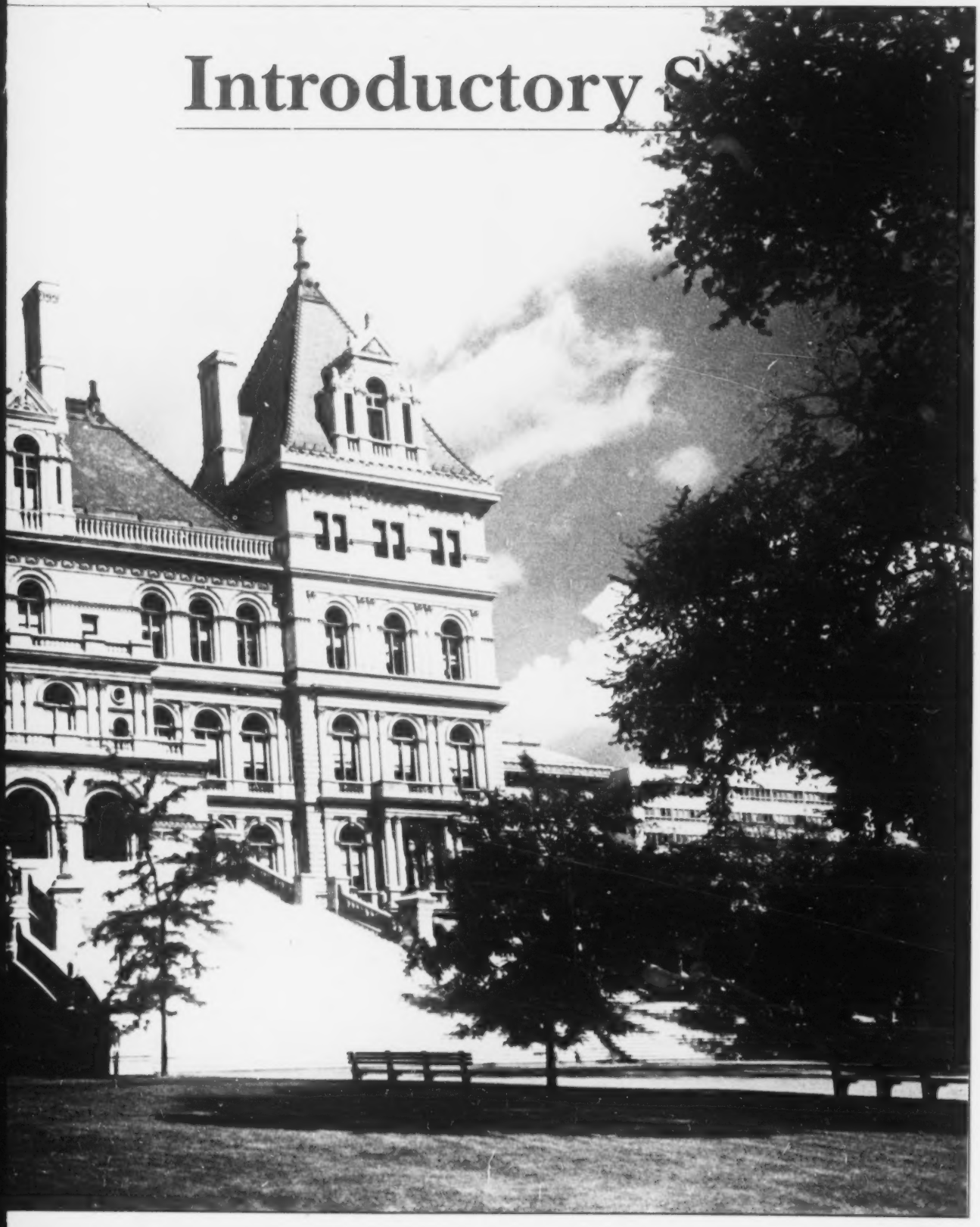
Schedule of Ten Largest Industrial & Commercial Employers 146

Nonagricultural Employment and Income by Categories 147

Schedule of Miscellaneous Statistics 148

State Capitol in Albany—N.Y.S. Dept. of Economic Development

Introductory S



EDWARD V. REGAN
State Comptroller

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
ALBANY, NEW YORK
12236

EDWARD V. REGAN
STATE COMPTROLLER

July 19, 1991

To the Citizens, Governor and Members of the Legislature of the State of New York:

In accordance with Section 8(9) of the New York State Finance Law, I am pleased to present the Comprehensive Annual Financial Report of the State of New York for the fiscal year ended March 31, 1991. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Office of the State Comptroller. I am confident the data presented is accurate in all material respects, is presented in a manner which fairly sets forth the financial position and results of operations of the State as measured by the financial activity of its various funds and that all disclosures necessary to enable the reader to gain an understanding of the State's financial position and results of operations have been included.

This report has been prepared in accordance with generally accepted accounting principles ("GAAP") for governments as promulgated by the Governmental Accounting Standards Board. The general purpose financial statements contained in this report have been audited by Coopers & Lybrand. Their audit was conducted in accordance with generally accepted auditing standards and their accountant's report precedes the general purpose financial statements. The unqualified accountant's report attests that the State's financial information is fairly presented in accordance with GAAP. In addition, this past year I was again honored to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the State's 1990 Financial Report. This prestigious award represents the highest form of recognition in the area of governmental financial reporting. It also reflects my commitment to accountability to the taxpayers through public disclosure designed to clearly communicate the State's financial story.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the State's organization chart and a list of principal officials. The Financial Section includes the general purpose financial statements and the combining statements and schedules, as well as the accountant's report on the financial statements and schedules. The Statistical Section includes fiscal, social and demographic information about the State.

For the fourth consecutive year I must report that the State has incurred another General Fund operating deficit of $1.035 billion. Over the past four years the State has incurred operating deficits totaling $2.985 billion. The General Fund accumulated deficit is now $6.266 billion. During the last quarter of the fiscal year the State issued $1.081 billion in tax and revenue anticipation notes to close the fourth consecutive year of cash deficits in the General Fund. During the year the New York Local Government Assistance Corporation issued $910 million in bonds from which $800 million was used to fund General Fund payments for aid to school districts. Without this additional funding the General Fund operating deficit for fiscal year 1990-91 would have been $1.835 billion.

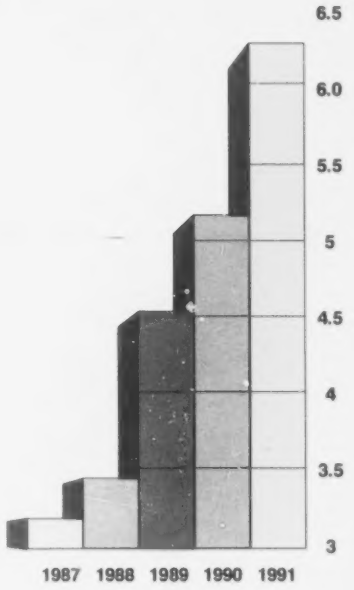
The State cannot continue to sustain these huge General Fund operating deficits which have weakened the State's competitive position and its credibility in the credit market. Years of spending in excess of recurring revenues, and the significant increased reliance on "one-shot" nonrecurring revenues and costly debt financing schemes, which are not approved by voters but nonetheless shift financial burdens to future generations, have all contributed to the State's current fiscal condition. The State's failure again to reach a budget agreement prior to the start of the 1991-92 fiscal year and the lack of significant fiscal reform, particularly relating to long-term borrowing demonstrate that much more needs to be done in order to come to grips with the State's fiscal problems.

I have been outspoken on the need to curb spending and I am deeply concerned that the Governor and the Legislature were unable to take advantage of the opportunity to begin making fundamental changes in governance and addressing the State's long-term structural deficit. The cuts included in the 1991-92 fiscal year budget only represent a shrinkage of certain government programs. These actions have provided a stop-gap measure to get the State through the latest budget adoption cycle but have done little to end the structural deficits.

State officials must develop a well thought out plan to alter government's management practices and processes in order to make them more effective and less costly. I have repeatedly recommended a complete reexamination of how our state and local governments function, including their organization, processes and services. We need a systematic restructuring of government and we must identify genuine recurring sources of revenues to replace excessive use of one-shot nonrecurring revenues and dubious refinancings. To highlight the problem, last year's budget contained nearly $2.7 billion in nonrecurring revenues. Our analysis of the 1991-92 fiscal year budget shows that it includes nearly $1.4 billion in nonrecurring revenues. While this represents a significant drop from last year it still is too high and actually increases over last year the amount of long-term debt that has to be repaid, and it continues to push the cost of operating State government today to a future generation of taxpayers.

Last year the State enacted fiscal reform legislation designed to undo thirty years of fiscal machinations by creating the New York Local Government Assistance Corporation which is authorized to issue long-term debt to reduce the annual spring borrowing and eliminate the use of rollovers. While this process has now begun the need for additional long-term fiscal discipline is more critical today than ever before. I call on the Governor and the Legislature to act on my proposals to restructure government, restrict nonvoter approved debt and close the structural deficit in order to return New York to a sound fiscal position.

GENERAL FUND DEFICIT
(AMOUNTS IN BILLIONS)



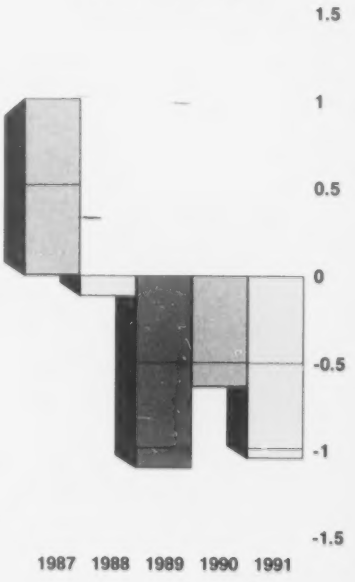
Economic Outlook

Both the national and state economies, which were already very sluggish during the previous two and one-half years, dropped into a full-scale recession in 1990 with the Iraqi invasion of Kuwait and the subsequent shock to petroleum prices. Although oil prices have moderated and the national economy is beginning to show signs of emerging from its recession, the very weak State economy shows no such signs. This continues a disturbing trend of recent years in which the State's economy has lagged behind developments in the national economy and, as a result, the State's economy is not expected to begin its recovery until the middle of 1992 at the earliest, with some particularly hard-hit areas, like New York City, following even later. Even then, the recovery is expected to be quite slow and modest.

Unemployment continues to rise and retail sales and the personal income growth remain very weak. The unemployment rate in New York, which had dropped to as low as 4.2% in 1988, rose to 5.2% in 1990 and is expected to rise further to 6.9% in 1991, exceeding the national rate for the first time since 1980. Retail sales continue a four-year-old trend of being significantly slower than the reduced pace of the economy overall would otherwise suggest, reflecting the uncertainty felt by consumers over their own future financial prospects. Personal income growth, which had exceeded the national rate for the previous three years, has been lower since 1989 and is expected to grow at only 61% of the national rate in 1991 (2.1% for the State versus 3.6% for the nation).

Virtually all segments of the economy are feeling the effects of the recession, including the State and local governments which are wrestling with the first reductions in their workforces since the 1975 fiscal crisis. The financial services industries in New York City, which had provided most of the job growth

GENERAL FUND OPERATING RESULTS
(AMOUNTS IN BILLIONS)



during the 1980's, continue to experience consolidations and retrenchments as part of their ongoing adjustment to both the effects of the 1987 stock market crash and the growth of competing stock exchanges in other parts of the country and the world. This sector of the economy has sustained a loss of 54,700 jobs in the New York City area since the October 1987 stock market crash. In addition, many economists and banking experts believe that the recent merger of Chemical and Manufacturers Hanover Banks, with the resulting loss of nearly 6,000 jobs, is just the beginning of a major restructuring of the entire banking industry, the ultimate result of which will be more job and tax revenue losses. Further, the turmoil in the office equipment industry, particularly computer equipment manufacturers, has hit some of the State's largest employers hard, resulting in reduced employment in that sector as well.

As has been the case for more than two decades, the State continues to lose manufacturing jobs, a situation that is liable to continue in the future. The retrenchment in defense spending is having a particularly negative affect on the fortunes of Long Island's largest employer and thus on the economy of that entire region. The economies of the central, southern and western parts of the State are also feeling the effects of the recession, although they continue to perform better than New York City and Long Island, portions of the western and northern areas, from Buffalo to the St. Lawrence Valley, are benefitting from the Canada-U.S. Free Trade Agreement.

Continuing a many-decade long trend, the economy of the Adirondack Park region remains almost entirely dependent upon the tourism and vacation industries, which have been negatively affected by both the continuing uncertainty about the State government's plans for that area and the recession.

Overall, nonagricultural employment in the State actually declined by 0.4% during 1990 and is expected to decline by another 2.1% in 1991. While the State has gained about 60,000 new jobs during 1989, it lost nearly 40,000 jobs in 1990 and will lose another 180,000 in 1991, according to projections by the Governor's office. This is a dramatic turnabout from the almost 160,000 jobs added annually during the 1983 to 1988 period.

The recession has already and will continue to have a direct and immediate impact on the revenues and spending of both the State and its local governments. This fact was reflected in the protracted State budget negotiations this year, and the utilization of nearly $1.4 billion in nonrecurring revenues in this year's budget means that the process will likely be equally as difficult in future years. The State's financial situation continues to deteriorate, with debt increasing and revenues slowing and, in some cases, actually decreasing year-over-year. The refusal of State lawmakers to address the underlying, and growing structural imbalance between recurring revenues and spending needs means that they will continue to face very difficult choices in the years ahead to strike a balance between the need to address pressing social concerns and the ability and/or willingness of the State's citizens to pay for those services.

Internal Controls

In developing the State's accounting system, consideration was given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits derived. To monitor the adequacy of the State's internal accounting controls my auditors periodically check adherence to internal control policies and procedures.

Four years ago the Legislature passed the New York State Governmental Accountability, Audit and Internal Control Act of 1987 which commits the State to enhancing existing systems of internal controls in all State governmental

entities. For the first time there is a requirement for managers in all branches and components of government to maintain comprehensive internal control systems and to regularly evaluate the effectiveness and adequacy of these systems by internal reviews and external audits. Finally, the legislation promotes accountability by assuring that all external audits are made available to the public.

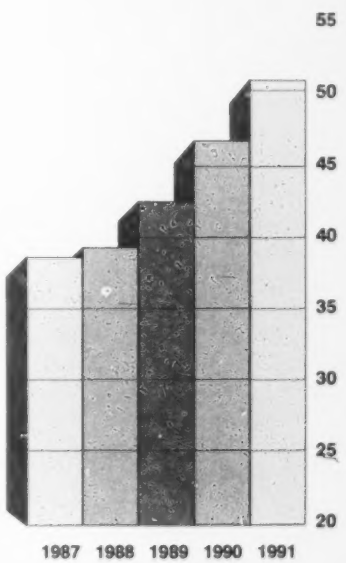
Budgetary Process

The State Constitution requires the Governor to submit a cash basis balanced Executive Budget which contains a complete plan of expenditures for the ensuing fiscal year and identifies the anticipated revenues sufficient to meet the proposed expenditures. Included in the proposed budget are provisions for spending authority for unanticipated revenues or unforeseen emergencies in accordance with statutory requirements. The Executive Budget also includes both cash basis and GAAP basis financial plans for the ensuing fiscal year as well as a three-year financial projection for governmental funds and a three-year capital plan. The accounting policies used in developing the GAAP basis financial plans are generally consistent with those used in preparing the annual GAAP financial statements.

The Legislature enacts appropriation bills and revenue measures embodying those parts of the Executive Budget it has approved. The Legislature may also enact a supplemental appropriation bill and other appropriation bills as it deems necessary. Once approved by the Governor the appropriation and revenue bills become law, and the cash basis and the GAAP basis financial plans are revised to reflect legislative actions. Generally, the financial plans are updated quarterly and the Governor is required to report to the Legislature showing a comparison of the actual year-to-date results with the revised plans and providing an explanation of any major deviations or significant changes to the financial plans.

Expenditures are controlled at the major object (e.g., personal service, grants to local governments) level within each program/project of each State agency in accordance with the underlying approved appropriation bills. Encumbrances are used to reserve a portion of the applicable appropriation prior to the release of purchase orders and contracts to vendors. Purchase orders that would result in an overrun of available balances are not released until budget revisions are approved or additional appropriations are made. Outstanding encumbrances are reported as reservations of fund balances at year-end.

SPENDING GROWTH-
All Governmental Funds
(AMOUNTS IN BILLIONS)



The Reporting Entity and Its Services

The funds and entities included in our Comprehensive Annual Financial Report are controlled by or dependent on the State. Determination of "controlled by or dependent on" is based on criteria prescribed by the Governmental Accounting Standards Board, for defining the financial reporting entity. The criteria deals with the selection of the governing authority, designation of management, scope of public service and the ability to significantly influence operations. Based on these criteria the various funds, account groups and entities shown in this report are considered as part of the reporting entity (see Notes 1 and 17).

The State provides a range of governmental services in such areas as education, social services, health and environmental services, criminal justice, transportation, mental hygiene, housing, among others and also administers the State and Local Retirement System.

General Governmental Functions

The State completed its fiscal year ended March 31, 1991 with a combined Governmental Funds operating deficit of $1.401 billion as compared to a combined Governmental Funds operating deficit for the preceding fiscal year

of $1.172 billion. The combined 1990-91 operating deficit of $1.401 billion included operating deficits in the General Fund of $1.035 billion, Special Revenue Funds of $29 million and the Capital Projects Funds of $402 million partially offset by an operating surplus in the Debt Service Funds of $65 million. The 1989-90 combined operating deficit of $1.172 billion included operating deficits in the General Fund of $673 million, Special Revenue Funds of $333 million and the Capital Projects Funds of $180 million partially offset by an operating surplus in the Debt Service Funds of $14 million.

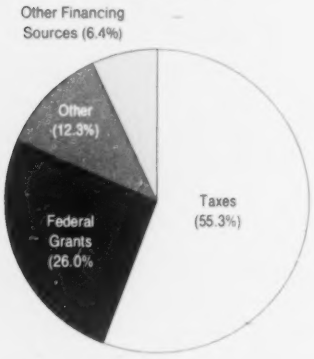
The State's financial position as shown in its Combined Balance Sheet as of March 31, 1991 includes an accumulated deficit in its Governmental Funds of $4.541 billion represented by liabilities of $15.974 billion and by assets of $11.433 billion available to liquidate such liabilities. The accumulated governmental funds deficit includes a $6.265 billion accumulated General Fund deficit, consisting of $5.230 billion accumulated deficit at April 1, 1990 increased by the $1.035 billion operating deficit in the General Fund for fiscal 1991.

Revenues and other financing sources of the Governmental Funds totaled $50.664 billion, an increase of $3.770 billion (8%) over the previous year. The revenues from various sources, and the change from the previous year are shown in the following tabulation (amounts in thousands):

Revenues and Other Financing Sources

	1991	1990	Increase/(Decrease) Over 1990 Actual Amount	Percent
Taxes:				
Personal income	$ 14,336,210	$ 14,977,605	$ (641,395)	(4.28)
Consumption and use	7,940,457	7,816,849	123,608	1.58
General business	4,621,449	3,777,376	844,073	22.35
Other	1,120,961	1,286,711	(165,750)	(12.88)
Subtotal	28,019,077	27,858,541	160,536	0.58
Federal grants	13,161,840	11,534,602	1,627,238	14.11
Other:				
Lottery	2,134,644	1,948,273	186,371	9.57
Tuition and fees	538,899	540,671	(1,772)	(0.33)
Patient fees	741,466	688,346	53,120	7.72
Miscellaneous	2,816,647	2,794,028	22,619	0.81
Subtotal	6,231,656	5,971,318	260,338	4.36
Total revenues	47,412,573	45,364,461	2,048,112	4.51
Other financing sources	3,251,912	1,530,189	1,721,723	112.52
Total revenues and other financing sources	$ 50,664,485	$ 46,894,650	$ 3,769,835	8.04

REVENUES-1991



Changes in revenues were highlighted by:

- Personal income taxes decreased $641 million which was due primarily to the recession and its impact on personal income.
- General business taxes increased $844 million which was due primarily to the 15% surcharge instituted in 1990 and petroleum business taxes rate increase.
- Other financing sources increased by $1.722 billion due primarily to issuance of bonds by the New York Local Government Assistance Corporation which realized net proceeds of $874 million and proceeds from financing arrangements relating to nonvoter approved debt which increased by $598 million.

Expenditures and other financing uses totaled $52.065 billion in fiscal 1991 which represents an increase of $3.998 billion (8.3%) over expenditures and other financing uses in fiscal 1990. Changes in expenditures from fiscal 1990 levels are presented in the following tabulation (amounts in thousands):

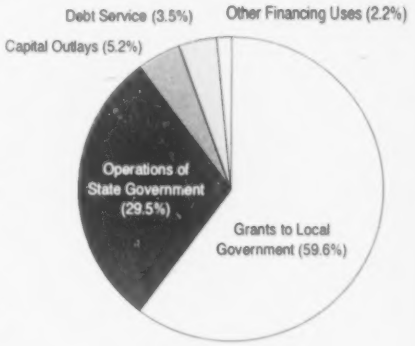
Expenditures and Other Financing Uses

	1991	1990	Increase/(Decrease) Over 1990 Actual Amount	Percent
Grants to local governments:				
Social services	$ 15,572,527	$ 13,478,932	$ 2,093,595	15.53
Education	11,317,186	10,685,410	631,776	5.91
Non-categorical aid	1,062,201	1,133,753	(71,552)	(6.31)
Mental hygiene	1,055,203	949,945	105,258	11.08
Health and environment	692,226	602,468	89,758	14.90
Transportation	333,269	398,678	(65,409)	(16.41)
Criminal justice	217,351	247,304	(29,953)	(12.11)
Other programs	765,307	693,774	71,533	10.31
Subtotal	31,015,270	28,190,264	2,825,006	10.02
Operations of State government	15,357,847	14,626,128	731,719	5.00
Capital outlays	2,697,775	2,177,882	519,893	23.87
Debt Service and financing arrangements	1,848,135	1,716,362	131,773	7.68
Total expenditures	50,919,027	46,710,636	4,208,391	9.01
Other financing uses	1,146,309	1,356,941	(210,632)	(15.52)
Total expenditures and other financing uses	$ 52,065,336	$ 48,067,577	$ 3,997,759	8.32

Increases in expenditures were highlighted by:

- Social services increased $2.1 billion due primarily to an increase in Medicaid of approximately $1.5 billion reflecting an increase in utilization of services, rate adjustments and overall growth in the Medicaid program.
- Education increased $632 million which represents aid for elementary, secondary and higher education for the general support of public schools.
- Operations of State government increased $732 million due primarily to increases in personal services resulting from negotiated pay increases.

EXPENDITURES-1991


Debt Service (3.5%)
Other Financing Uses (2.2%)
Capital Outlays (5.2%)
Operations of State Government (29.5%)
Grants to Local Government (59.6%)

Debt Administration and Other Financing Arrangements

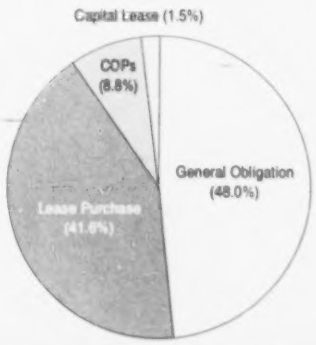
There are a number of methods by which the State may incur debt. The State may issue general obligation bonds authorized by the voters and notes in anticipation of such bonds. The State, with voter approval, may also directly guarantee certain Public Authority obligations. Payments for debt service on State general obligation and State-guaranteed bonds or notes are legally enforceable obligations of the State. The State has never been called upon to make any direct payments pursuant to its guarantee.

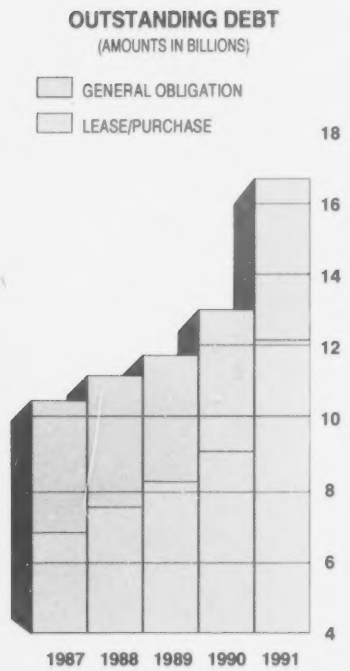
The State has also entered into lease/purchase agreements and other financing agreements with several public benefit corporations and municipalities. In addition, the State entered into various arrangements for the refinancing and purchase of equipment through the issuance of certificates of participation.

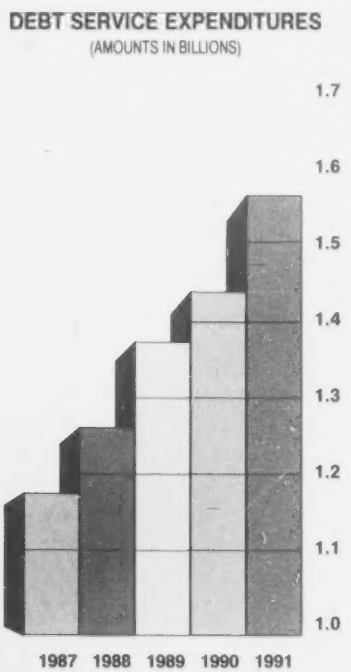
Bonds Payable and Short-Term Financing

The State's general obligation bonds are rated A by Standard and Poor's Corporation and A by Moody's Investors Service. The State had approximately $4.402 billion in general obligation bonds outstanding at year-end. During the year the State issued $753 million in general obligation bonds and redeemed $338 million. The total amount of general obligation bonded debt authorized but not yet issued at year-end was $3.997 billion.

DEBT SERVICE-1991







Notes payable decreased by $5 million resulting in a year-end balance of $247 million. The notes were issued, in the form of commercial paper, at interest rates of 2.5% to 6.625%.

In the last quarter of 1991, the State experienced a cash basis operating deficit which was addressed by issuing $1.081 billion in tax and revenue anticipation notes.

The State annually issues tax and revenue anticipation notes (TRANS) at the inception of each fiscal year. In June 1990 the State issued an aggregate amount of $4.1 billion in TRANS which were repaid by March 1991. In June 1991 the State issued TRANS in the amount of $3.9 billion which mature on March 31, 1992.

The Public Benefit Corporations (Corporations) had $27.797 billion in bonds payable and short-term debt outstanding at year-end. For further information regarding Corporations debt refer to Note 17 of the Notes to the Financial Statements.

The State has also entered into lease/purchase agreements with selected public benefit corporations and municipalities for certain of its capital facilities. Under the agreements, construction costs are initially paid from appropriations and repaid to the State from proceeds of bond issues.

The State has also entered into other financing agreements with several public benefit corporations. The terms of these arrangements require the State to fund the debt service requirements of the specific debt issued by the entity. The public benefit corporations will generally retain title to the assets acquired with the bond proceeds.

At year-end the State had long-term debt obligations of $12.082 billion under lease/purchase and other financing arrangements, an increase of $2.995 billion from fiscal 1990.

Fiduciary Fund Type

The Fiduciary Fund Type includes Trust and Agency Funds and the State and Local Retirement System. These funds are used to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations and other governments. The Trust and Agency Funds reported year-end fund balance of $54 billion as compared to the previous year-end of $51 billion.

The State and Local Retirement System, covering most nonteaching State employees and local government employees outside of New York City, reported combined net assets available for retirement benefits of $50.539 billion as compared to the previous year-end amount of $47.147 billion. For further information refer to Note 16 of the Notes to the Financial Statements.

Public Benefit Corporations

Public Benefit Corporations (Corporations), which includes Public Authorities, are legally separate entities that are not operating departments of the State. Corporations have been established for a variety of purposes such as economic development, capital construction, financing and public transportation. The powers of the Corporations generally are vested in their governing boards. The Governor, with the approval of the State Senate, appoints most members of the Board of most major Corporations and either the Governor or the Board selects the Chairman and chief operating officer. Corporations are not subject to the State constitutional restrictions on the incurrence of debt which apply to the State and may issue bonds and notes within legislatively authorized amounts.

Corporations submit annual reports to the Governor, the Legislature and the State Comptroller on their operations and finances accompanied by an independent auditor's report. Corporations are generally supported by revenues derived from their activities, although in recent years the State has provided financial assistance, in some cases of a recurring nature, to certain Corporations for operating and other expenses, and in fulfillment of its com-

mitments on moral obligation indebtedness. In accordance with the current standards of the Governmental Accounting Standards Board the Corporations have been presented as the Proprietary Fund Type in this report. The amounts presented in this report were derived from the Corporations' most recent financial statements. At year-end these entities reflected a combined equity of $11.181 billion. For further information refer to Note 17 of the Notes to the Financial Statements.

Risk Management

The State does not insure its buildings or their contents against theft, fire or other risks and does not insure its automobiles against the possibility of bodily injury and property damages. However, the State does have fidelity insurance on State employees. Workers' compensation coverage is provided on a self-insurance basis.

Cash Management

Cash deposits into the State Treasury are controlled jointly by the State Comptroller and Commissioner of Taxation and Finance. Cash is managed in pooled investment funds to maximize interest earnings. Investments are made in accordance with the State Finance Law. Cash is primarily invested in repurchase agreements involving United States Treasury obligations and remaining funds are invested in United States Treasury Bills. For the fiscal year ended March 31, 1991, the average daily balance of pooled investment funds was $2.045 billion with an average yield of 7.8% and total investment income of $160 million. Cash deposits not held in State Treasury and controlled by various other State officials are generally held in interest bearing accounts.

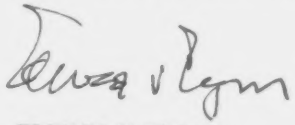
General Fixed Assets

The general fixed assets of the State are those fixed assets used in the performance of general governmental functions. They do not include infrastructure (e.g., roads, bridges, canals, etc.) or fixed assets of public benefit corporations. At March 31, 1991, the general fixed assets of the State amounted to $10.9 billion. This amount represents the valuation of general fixed assets in accordance with GAAP and the State's capitalization policy as described in Note 1 of the Notes to the Financial Statements.

Conclusion

This report continues my commitment to comprehensive disclosure and progressive leadership in financial reporting. It also clearly shows the need for continued fiscal reform, the restructuring of State and local government and spending reductions if we are to obtain our goal of strengthening the State's fiscal condition by reducing the accumulated deficit of the State.

This report could not have been prepared without the cooperation of all State agencies, the Legislature, and the Judiciary. I especially appreciate the professionalism and dedication demonstrated by my staff in the preparation of this report.



EDWARD V. REGAN
State Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of New York

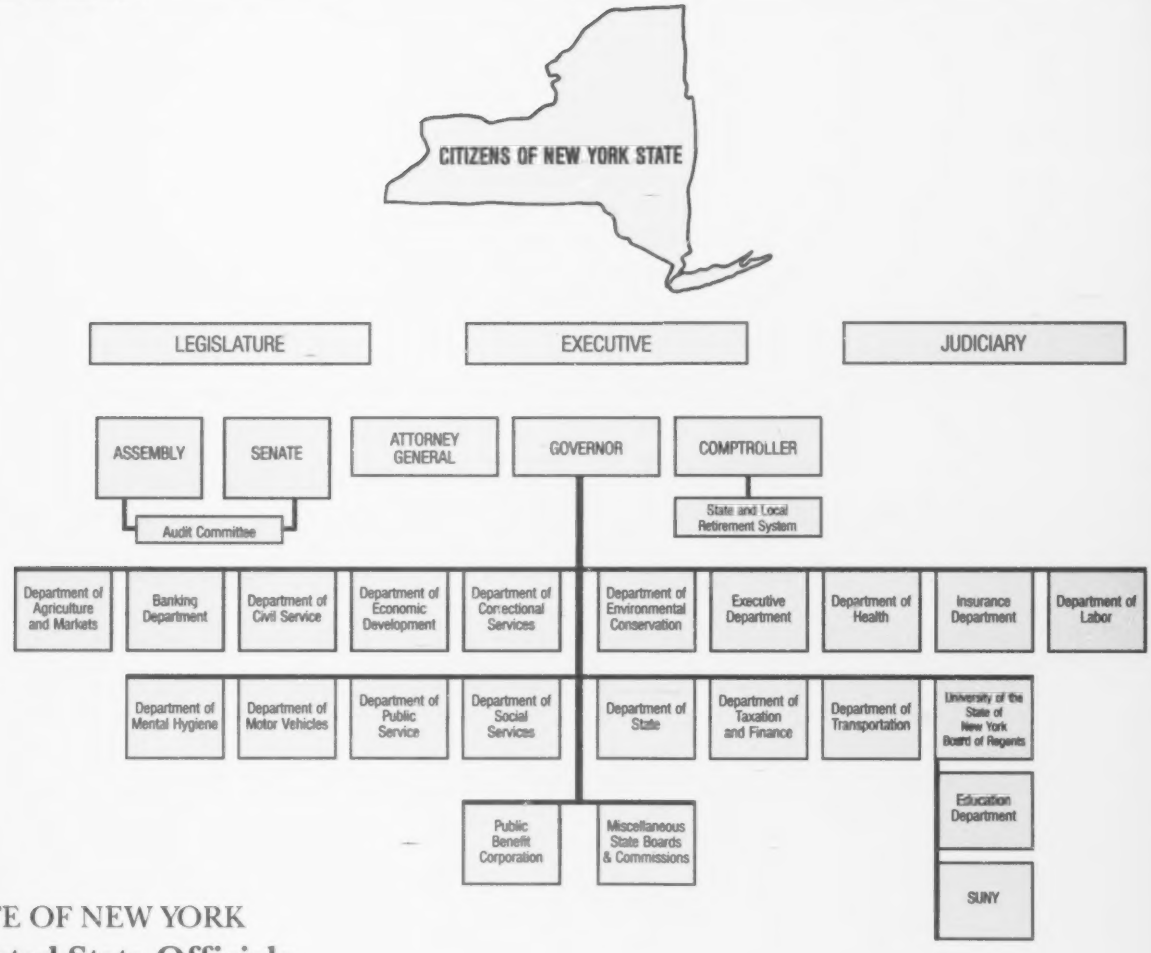
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
March 31, 1990

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

Gary R. Northam
President

Jeffrey L. Esser
Executive Director



STATE OF NEW YORK
Selected State Officials

Executive

Mario M. Cuomo, Governor • **Stanley Lundine,** Lieutenant Governor • **Edward V. Regan,** Comptroller • **Robert Abrams,** Attorney General

Judicial

Sol Wachtler, Chief Judge Court of Appeals of New York

Legislative

Ralph J. Marino, Temporary President of the Senate • **Melvin H. Miller,** Speaker of the Assembly • **Manfred Ohrenstein,** Senate Minority Leader • **Clarence D. Rappleyea,** Assembly Minority Leader

Financial Section

Chittenango Falls

Coopers
&Lybrand

certified public accountants

REPORT OF INDEPENDENT ACCOUNTANTS

The Audit Committee of the
New York State Legislature

We have audited the general purpose financial statements of the State of New York as of March 31, 1991, and for the year then ended, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain entities, which represent 88% and 84%, respectively, of the total assets and total operating revenues of the Public Benefit Corporations, 85% of the total assets of the Trust and Agency Fund, and all revenues of the State and Local Retirement System. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of New York as of March 31, 1991, and the results of its operations and the cash flows of the Nonexpendable Trust Fund and Public Benefit Corporations for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 16 to the general purpose financial statements, in 1991 the State of New York changed its method of accounting for certain pension costs.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The introductory section, the combining financial statements within the financial section and the statistical section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of New York. Such information, except for the introductory and statistical sections, on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based upon our audit and the reports of other auditors, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Coopers & Lybrand

Albany, New York
July 19, 1991

New York City – N.Y.S. Dept. of Economic Development

General Purpose Financial Statements

Combined Balance Sheet

ALL FUND TYPES AND ACCOUNT GROUPS

March 31, 1991
(Amounts in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS:				
Cash and investments	$ 242,537	$ 638,493	$ 1,278,975	$ 213,251
Retirement system investments	—	—	—	—
Receivables, net of allowances for uncollectibles:				
Taxes	3,929,098	70,662	164,601	—
Due from Federal government	—	2,342,243	—	138,490
Loans and leases	—	—	—	—
Other	864,508	74,516	398,963	29,694
Due from other funds	603,873	110,254	133,933	8,448
Marketable securities held in lieu of retainage	—	—	—	83,938
Fixed assets	—	—	—	—
Other assets	94,336	12,019	—	—
Assets available for future debt service	—	—	—	—
Amounts to be provided for retirement of general long-term obligations	—	—	—	—
Total assets	**$ 5,734,352**	**$ 3,248,187**	**$ 1,976,472**	**$ 473,821**
LIABILITIES:				
Payable to local governments	$ 4,376,856	$ 1,174,337	$ —	$ 34,163
Tax refunds payable	2,661,433	5,248	1,128	—
Accrued liabilities	1,665,874	1,025,006	947	10,983
Pension contributions payable	532,374	—	—	—
Accounts payable	494,320	76,615	248	411,948
Due to other funds	324,734	242,638	1,556	530,551
Tax anticipation notes payable	905,000	—	—	—
Deferred revenues	913,541	27,366	201,177	2,666
Notes payable	—	—	—	227,500
Bonds payable	—	—	—	—
Obligations under lease/purchase and other financing arrangements	—	—	—	—
Other long-term liabilities	125,787	—	—	—
Total liabilities	**11,999,919**	**2,551,210**	**205,056**	**1,217,811**
EQUITY (DEFICIT):				
Fund balances (deficits):				
Reserved for:				
Net retirement system assets available for benefits	—	—	—	—
Encumbrances	469,189	201,813	—	3,377,987
Unemployment benefits	—	—	—	—
Debt service	—	—	1,034,010	—
Education accumulation	598,290	—	—	—
Infrastructure trust	244,206	—	—	—
Tax stabilization	201,373	—	—	—
Other specified purposes	62,585	—	—	28,252
Unreserved	(7,841,210)	495,164	737,406	(4,150,229)
Investment in general fixed assets	—	—	—	—
Contributed capital	—	—	—	—
Retained earnings	—	—	—	—
Total equity (deficit) (Note 9)	**(6,265,567)**	**696,977**	**1,771,416**	**(743,990)**
Total liabilities and equity (deficit)	**$ 5,734,352**	**$ 3,248,187**	**$ 1,976,472**	**$ 473,821**

See accompanying notes to financial statements.

EXHIBIT A

Account Groups		Fiduciary Fund Types	Proprietary Fund Type
General Fixed Assets	General Long-term Obligations	Trust and Agency	Public Benefit Corporations
$ —	$ —	$ 7,372,386	$ 16,197,084
—	—	48,945,451	—
—	—	623,306	—
—	—	17	—
—	—	—	13,974,991
—	—	2,622,726	1,944,792
—	—	280,730	—
—	—	—	—
10,910,782	—	—	16,943,799
—	—	6,985	822,949
—	1,771,416	—	—
—	18,626,284	—	—
$ 10,910,782	**$ 20,397,700**	**$ 59,851,601**	**$ 49,883,615**
$ —	$ —	$ 2,026,328	$ —
—	—	—	—
—	—	3,601,575	6,723,353
—	693,898	—	1,579,047
—	—	136,873	331,338
—	—	37,759	—
—	—	—	—
—	—	—	805,840
—	—	—	707,147
—	4,401,761	—	27,089,962
—	12,082,410	—	—
—	3,219,631	—	1,466,256
—	**20,397,700**	**5,802,535**	**38,702,943**
—	—	50,538,656	—
—	—	—	—
—	—	2,492,277	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
—	—	1,018,133	—
—	—	—	—
10,910,782	—	—	—
—	—	—	10,445,452
—	—	—	735,220
10,910,782	**—**	**54,049,066**	**11,180,672**
$ 10,910,782	**$ 20,397,700**	**$ 59,851,601**	**$ 49,883,615**

Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

EXHIBIT B

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

Year Ended March 31, 1991

(Amounts in thousands)

	Governmental Fund Types				Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
REVENUES:					
Taxes:					
Personal income	$ 14,336,210	$ —	$ —	$ —	$ —
Consumption and use	6,236,375	236,046	1,468,036	—	—
General business	4,144,840	476,609	—	—	—
Unemployment	—	—	—	—	1,123,177
Other	1,120,961	—	—	—	—
Federal grants	108,963	12,288,888	2,108	761,881	30,306
Lottery	—	2,134,644	—	—	—
Tuition and fees	—	—	538,899	—	—
Patient fees	—	—	741,466	—	—
Miscellaneous	1,873,919	330,908	555,642	56,178	1,536,204
Total revenues	**27,821,268**	**15,467,035**	**3,306,151**	**818,059**	**2,689,687**
EXPENDITURES:					
Grants to local governments:					
Social services	7,058,386	8,514,141	—	—	—
Education	9,256,300	2,055,372	—	5,514	—
Non-categorical aid	1,062,201	—	—	—	—
Mental hygiene	917,300	110,500	—	27,403	—
Health and environment	336,357	169,571	—	186,298	—
Transportation	215,577	87,386	—	30,306	—
Criminal justice	202,964	14,387	—	—	—
Other programs	392,770	294,155	—	78,382	—
Operation of state departments and agencies:					
Personal service costs	8,291,759	454,014	—	—	3,518
Non-personal service costs	2,897,552	1,709,333	—	—	946,797
Other fringe benefits	1,813,585	100,952	—	—	1,103
Pension contribution	84,249	6,403	—	—	—
Capital construction	—	—	—	2,697,775	—
Debt service, including payments on financing arrangements	269,660	—	1,578,475	—	—
Unemployment benefits	—	—	—	—	2,203,729
Total expenditures	**32,796,660**	**13,516,214**	**1,578,475**	**3,025,678**	**3,155,147**
Excess (deficiency) of revenues over expenditures	**(4,977,392)**	**1,950,881**	**1,727,676**	**(2,207,619)**	**(465,460)**
OTHER FINANCING SOURCES (USES):					
Operating transfers from other funds	4,803,020	137,206	2,432,207	246,922	—
Operating transfers to other funds	(1,773,631)	(2,117,276)	(4,229,839)	(193,290)	(332,569)
Proceeds of general obligation bonds	—	—	—	753,300	—
Proceeds from financing arrangements/advance refundings (Note 9)	912,653	—	1,690,784	998,500	—
Payments on advance refundings	—	—	(1,554,953)	—	—
Net other financing sources (uses)	**3,942,042**	**(1,980,070)**	**(1,661,801)**	**1,805,432**	**(332,569)**
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,035,350)	(29,189)	65,875	(402,187)	(798,029)
Fund balances (deficits) at April 1, 1990	(5,230,217)	726,166	1,705,541	(341,803)	3,894,573
Fund balances (deficits) at March 31, 1991	**$ (6,265,567)**	**$ 696,977**	**$ 1,771,416**	**$ (743,990)**	**$ 3,096,544**

See accompanying notes to financial statements.

Combined Statement of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual

EXHIBIT C

GOVERNMENTAL FUND TYPES

Year Ended March 31, 1991
(Amounts in thousands)

	General			Special Revenue		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	$ 26,281,000	$ 26,117,600	$ (163,400)	$ 708,000	$ 706,800	$ (1,200)
Miscellaneous	1,258,000	1,227,900	(30,100)	2,742,000	2,648,300	(93,700)
Federal grants	—	3,200	3,200	11,645,000	11,915,000	270,000
Total receipts	**27,539,000**	**27,348,700**	**(190,300)**	**15,095,000**	**15,270,100**	**175,100**
DISBURSEMENTS:						
Grants to local governments	19,509,000	19,380,900	128,100	12,120,000	12,400,000	(280,000)
Departmental operations	6,485,000	6,533,700	(48,700)	4,498,000	4,459,800	38,200
General state charges	1,468,000	1,447,400	20,600	273,000	268,500	4,500
Debt service	268,000	267,500	500	—	—	—
Capital projects	—	—	—	1,000	1,000	—
Total disbursements	**27,730,000**	**27,629,500**	**100,500**	**16,892,000**	**17,129,300**	**(237,300)**
Excess (deficiency) of receipts over disbursements	**(191,000)**	**(280,800)**	**(89,800)**	**(1,797,000)**	**(1,859,200)**	**(62,200)**
OTHER FINANCING SOURCES (USES):						
STIP notes (investment in notes)	—	176,500	176,500	—	(120,800)	(120,800)
Bond and note proceeds, net	130,000	130,000	—	—	—	—
Transfers from other funds	1,215,000	1,242,700	27,700	3,178,000	3,246,600	68,600
Transfers to other funds	(1,154,000)	(1,268,400)	(114,400)	(1,375,000)	(1,402,700)	(27,700)
Net other financing sources (uses)	**191,000**	**280,800**	**89,800**	**1,803,000**	**1,723,100**	**(79,900)**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ —**	**$ —**	**$ —**	**$ 6,000**	**$ (136,100)**	**$ (142,100)**

See accompanying notes to financial statements.

Continued

Combined Statement of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual (cont'd)

EXHIBIT C

GOVERNMENTAL FUND TYPES

Year Ended March 31, 1991
(Amounts in thousands)

	Debt Service			Capital Projects		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	$ 1,048,000	$ 1,042,400	$ (5,600)	$ —	$ —	$ —
Miscellaneous	1,791,000	1,798,300	7,300	1,398,000	1,028,300	(369,700)
Federal grants	—	1,800	1,800	739,000	746,400	7,400
Total receipts	2,839,000	2,842,500	3,500	2,137,000	1,774,700	(362,300)
DISBURSEMENTS:						
Grants to local governments	—	—	—	—	—	—
Departmental operations	—	—	—	6,000	5,100	900
General state charges	—	—	—	—	700	(700)
Debt service	1,061,000	1,019,500	41,500	—	—	—
Capital projects	—	—	—	3,168,000	3,124,600	43,400
Total disbursements	1,061,000	1,019,500	41,500	3,174,000	3,130,400	43,600
Excess (deficiency) of receipts over disbursements	1,778,000	1,823,000	45,000	(1,037,000)	(1,355,700)	(318,700)
OTHER FINANCING SOURCES (USES):						
STIP notes (investment in notes)	—	(11,100)	(11,100)	—	(4,500)	(4,500)
Bond and note proceeds, net	—	—	—	734,000	758,500	24,500
Transfers from other funds	1,956,000	1,955,500	(500)	241,000	234,400	(6,600)
Transfers to other funds	(3,817,000)	(3,764,600)	52,400	(188,000)	(188,600)	(600)
Net other financing sources (uses)	(1,861,000)	(1,820,200)	40,800	787,000	799,800	12,800
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	$ (83,000)	$ 2,800	$ 85,800	$ (250,000)	$ (555,900)	$ (305,900)

See accompanying notes to financial statements.

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances

EXHIBIT D

NONEXPENDABLE TRUST FUNDS,
STATE AND LOCAL RETIREMENT SYSTEM
AND PUBLIC BENEFIT CORPORATIONS

Year Ended March 31, 1991
(Amounts in thousands)

	Fiduciary Fund Types		Proprietary Fund Type
	Nonexpendable Trust	State and Local Retirement System	Public Benefit Corporations
OPERATING REVENUES:			
Charges for services	$ —	$ —	$ 5,733,531
Financing income	—	—	1,304,917
Investment earnings	—	5,206,517	722,576
Contributions to retirement system	—	168,988	—
Miscellaneous	41,668	—	318,538
Total operating revenues	**41,668**	**5,375,505**	**8,079,562**
OPERATING EXPENSES:			
Operations	7,959	36,680	8,947,582
Depreciation and amortization	—	—	324,848
Interest	—	—	1,494,903
Retirement benefits	—	1,947,031	—
Total operating expenses	**7,959**	**1,983,711**	**10,767,333**
Operating income (loss)	**33,709**	**3,391,794**	**(2,687,771)**
NONOPERATING REVENUES (EXPENSES):			
Non-State subsidies and grants	2,152	—	1,561,823
Interest revenues	—	—	212,358
Interest expenses	—	—	(307,304)
Other, net	—	—	195,036
Net nonoperating revenues (expenses)	**2,152**	**—**	**1,661,913**
Income (loss) before operating transfers	**35,861**	**3,391,794**	**(1,025,858)**
Operating transfers from other funds	383	—	1,314,754
Operating transfers to other funds	(2,450)	—	(324,694)
Net income (loss)	**33,794**	**3,391,794**	**(35,798)**
Retained earnings/fund balances at beginning of year, as restated	**380,072**	**47,146,862**	**771,018**
Retained earnings/fund balances at end of year	**$ 413,866**	**$ 50,538,656**	**$ 735,220**

See accompanying notes to financial statements.

Combined Statement of Cash Flows

EXHIBIT E

NONEXPENDABLE TRUST FUNDS AND PUBLIC BENEFIT CORPORATIONS

Year Ended March 31, 1991
(Amounts in thousands)

	Fiduciary Fund Types	Proprietary Fund Type
	Nonexpendable Trust	Public Benefit Corporations
SOURCES OF CASH AND INVESTMENTS:		
Cash flows from operating activities:		
Operating income (loss)	$ 33,709	$ (2,687,771)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	—	324,848
Interest paid on operating debt	—	1,796,800
Interest and dividends on investments	—	(722,576)
Other	—	279,538
Change in assets and liabilities:		
Change in loans and leases receivables	—	(1,475,304)
Change in other receivables	(11,561)	(210,418)
Change in other assets	—	(38,451)
Change in accrued liabilities	21	742,795
Change in pension contribution payable	—	4,373
Change in accounts payable	810	97,260
Change in due from/to	(719)	—
Change in deferred revenue	—	31,554
Total adjustments to operating income (loss)	**(11,449)**	**830,419**
Net cash provided by (used for) operating activities	**22,260**	**(1,857,352)**
Cash flows from noncapital financing activities:		
Borrowing of operating debt	—	3,610,590
Repayment of operating debt	—	(1,815,102)
Interest paid on operating debt	—	(1,661,279)
Operating grants received	2,152	1,561,823
Operating transfers from (to)	(2,067)	989,375
Repayment of other long-term liabilities	—	(20,804)
Proceeds from other long-term liabilities	—	62,535
Net cash provided by (used for) noncapital financing activities	**85**	**2,727,138**
Cash flows from capital and related financing activities:		
Proceeds from issuance of bonds	—	1,522,704
Proceeds from issuance of notes	—	1,581
Repayment of bonds	—	(948,543)
Repayment of notes	—	(5,463)
Interest paid on bonds and notes	—	(442,825)
Capital contributions	—	1,324,950
Acquisition and construction of capital assets	—	(2,593,202)
Other	—	810,582
Net cash used for capital and related financing activities	**—**	**(330,216)**

See accompanying notes to financial statements.

Combined Statement of Cash Flows (cont'd)

EXHIBIT E

NONEXPENDABLE TRUST FUNDS AND PUBLIC BENEFIT CORPORATIONS

Year Ended March 31, 1991
(Amount in thousands)

	Fiduciary Fund Types	Proprietary Fund Type
	Nonexpendable Trust	Public Benefit Corporations
Cash flows from investing activities:		
Purchase of investment securities	(421,684)	(21,791,488)
Proceeds from sale and maturities of investment securities	398,873	19,959,260
Interest and dividends on investments	—	965,244
Net cash used for investing activities	**(22,811)**	**(866,984)**
Net decrease in cash and cash equivalents	(466)	(327,414)
Cash and cash equivalents at beginning of year	16,562	847,518
Cash and cash equivalents at end of year	**$ 16,096**	**$ 520,104**

Proprietary Fund Reconciliation:	
Cash and cash equivalents at end of year	$ 520,104
Proprietary fund investments	15,676,980
Cash and investments per Exhibit A	**$ 16,197,084**

NONCASH TRANSACTIONS:

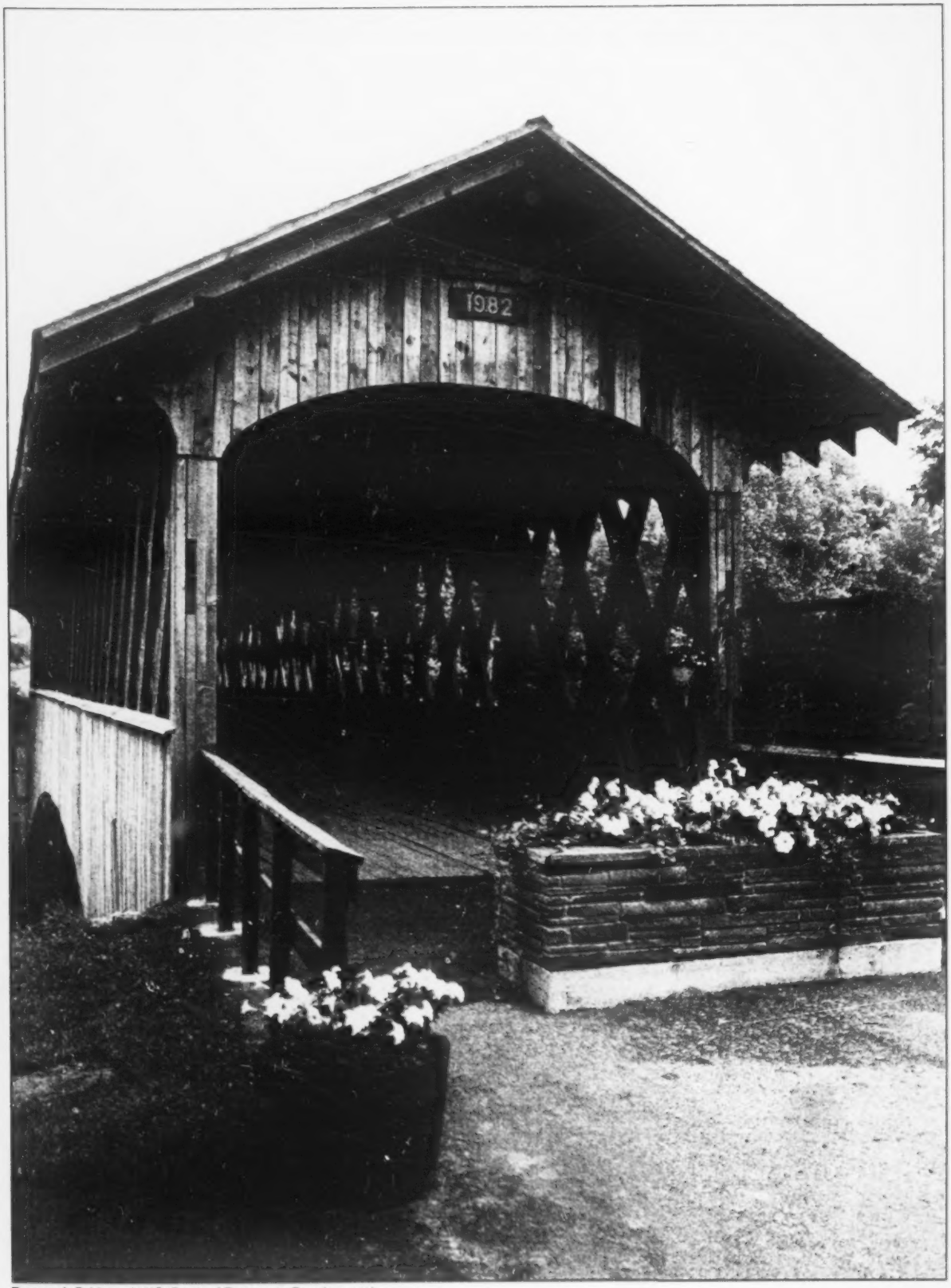
Noncash transactions are investing and financing activities that affect assets and liabilities but do not result in cash receipts or payments. The following noncash transactions occurred during the year:

Housing Finance Agency

During the fiscal year ended October 31, 1990, $1 billion dollars of New York State Housing Finance Agency bonds were defeased using the proceeds of bonds issued by the Dormitory Authority of the State of New York. As part of this transaction, lease receivables in an equivalent amount due from the State University Construction Fund, which secured the Agency's bonds, were transferred to the Dormitory Authority as security for the new bonds.

Urban Development Corporation

Noncash investing and financing activity consisted of a capital lease transaction of $2 million entered into in fiscal 1991.



Foxcreek Bridge – N.Y.S. Dept. of Economic Development

Notes to Financial Statements

March 31, 1991

Note 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying general purpose financial statements of the State of New York (the "State") have been prepared in conformance with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the primary standard-setting body for establishing governmental accounting and financial reporting principles.

The general purpose financial statements have been prepared primarily from accounts maintained by the State Comptroller. Additional data has been derived from reports prescribed by the State Comptroller and prepared by State departments, agencies, public benefit corporations and other entities based on independent or subsidiary accounting systems maintained by them.

a. Reporting Entity

The general purpose financial statements include all funds and account groups of the State as well as agencies, boards, commissions, public benefit corporations and other organizational entities for which the State has oversight responsibility, and are consequently determined to be included in the State's financial reporting entity.

The decision to include a potential component unit in the State's reporting entity was made by applying the criteria set forth in GAAP. The primary criterion for including a component unit is the State's ability to exercise oversight responsibility which includes selection of governing authority, accountability for fiscal matters, designation of management and the ability to influence operations. Based on the application of these criteria, the following is a brief review of certain potential component units addressed in defining the State's reporting entity.

Included within the reporting entity:

New York Local Government Assistance Corporation
The New York Local Government Assistance Corporation (the "Corporation") was created by Chapter 220 of the Laws of 1990. The Corporation is administered by three directors consisting of the State Comptroller and the Director of the Division of the Budget, serving ex officio, and one director appointed by the Governor. The Corporation was created to issue up to $4.7 billion in long-term debt, the proceeds of which will be used to eliminate the State's annual spring borrowing by providing for certain payments due the State's local government units.

State and Local Retirement System
The State and Local Retirement System (the "System") was established by State statute with the State Comptroller designated as sole trustee and administrative head of the System. The System's costs, based upon actuarial valuations, are funded by the State, participating governmental employers and participants.

Public Benefit Corporations
The Public Benefit Corporations ("Corporations") listed in Note 17 were established by State statute. The Governor, with the approval of the State Senate, appoints most members of the Board of most corporations and either the Governor or the board selects the chairman and chief operating officer. Corporations generally submit annual reports to the Governor, the Legislature and the State Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Corporations also submit to the Governor and the Legislature annual budget information on operations and capital construction. The State Comptroller is empowered to conduct financial and management audits of the Corporations. Financial assistance was provided in the fiscal year ended March 31, 1991 to certain Corporations and such assistance is expected to be required in future years. Accordingly, the fiscal condition of the State is related to the fiscal stability of public benefit corporations.

Excluded from the reporting entity:

New York State Teachers' Retirement System
The New York State Teachers' Retirement System ("TRS") was established by State statute. Members appointed to the Board by the State do not maintain a significant relationship with the State. The Board is fully accountable for all fiscal matters such as establishing the annual operating budget, operating deficiencies and surpluses, and incurring debt. In addition, TRS retains title to all assets.

Municipal Assistance Corporation for the City of New York
The Municipal Assistance Corporation (the "Corporation") for the City of New York was established by State statute to assist the City in providing essential services to its inhabitants and to create investor confidence in the soundness of City obligations. Moreover, the statute creating the Corporation also empowers it with certain

oversight of the City's financial activities. The activities of the Corporation are an integral component of City operations. Accordingly, the Corporation has been determined to be and is reported as a component unit of the City of New York's reporting entity.

United Nations Development Corporation
The United Nations Development Corporation (UNDC) was established by State statute. The Board of Directors are appointed by the Governor and the Mayor of the City of New York. The State does not provide funding to UNDC. The State does not hold title to any of UNDC's assets, nor does it have any right to UNDC's surpluses.

Community Colleges
Community colleges, which are sanctioned by both the State University and City University of New York, are sponsored locally in accordance with State statute. Community colleges have been determined to be and are reported as component units of the local sponsoring governments.

b. Fund Accounting

The State uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The State records its transactions in the fund types and account groups described below. Transactions between funds within a fund type, if any, have been eliminated.

Governmental Fund Types:
General—is the general operating fund of the State and is used to account for all financial transactions except those required to be accounted for in another fund. The routine operations of the State University of New York (SUNY) and City University of New York (CUNY) senior colleges are included in the General Fund (CUNY is based on its June 30, 1990 fiscal year). In fiscal year 1990-91, the operations of the New York Local Government Assistance Corporation are included in the General Fund.

Special Revenue—is used to account for the proceeds of specific revenue sources (other than debt service, expendable trust or major capital projects) such as Federal grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed by either the State Legislature or outside parties.

Debt Service—is used to account for the accumulation of resources for, and the payment of, principal, interest, and related costs of general long-term obligations. Debt service related activities of the SUNY and CUNY Construction Funds, New York Local Government Assistance Corporation and the Facilities Development Corporation are included in the Debt Service Funds. (CUNY Construction Fund is based on its June 30, 1990 fiscal year.)

Capital Projects—is used to account for the financial resources used for acquisition or construction of major state-owned capital facilities and for capital assistance grants to local governments.

Account Groups:
General Fixed Assets Account Group—is used to account for general fixed assets of the State exclusive of assets held by public benefit corporations.

General Long-term Obligations Account Group—is used to account for long-term obligations of the State including bonds, most obligations under lease/purchase and other financing arrangements, certain pension contributions and other long-term obligations exclusive of liabilities of public benefit corporations.

Fiduciary Fund Types:
Fiduciary Funds include Expendable and Nonexpendable Trust Funds, Agency Funds and the State and Local Retirement System. The Expendable and Nonexpendable Trust Funds and Agency Funds are used to account for assets held by the State in a trustee capacity (e.g., endowments, pensions and student loans) or as an agent for individuals, private organizations and other governments. The accounts of the State and Local Retirement System are derived from their annual financial statements for the year ended March 31, 1991. Additional information about the State and Local Retirement System is provided in Note 16.

Proprietary Fund Type—Public Benefit Corporations:
The accounts of public benefit corporations, public authorities, not-for-profit corporations and similar entities (hereinafter called public benefit corporations) in the accompanying general purpose financial statements are derived from the most recently issued annual financial statements and are presented as the Proprietary Fund Type. The inclusion of these entities in the State's general purpose financial statements reflects the oversight role exercised by the State. Additional information about Public Benefit Corporations is provided in Note 17.

c. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. Nonexpendable Trust Funds, the State and Local Retirement System and Public Benefit Corporations are accounted for on a flow of economic resources measurement focus.

Governmental Fund Types and Expendable Trust Funds are accounted for on the modified accrual basis of accounting. Revenues and related receivables are recorded in the accounting period that they become both measurable and available, i.e., earned and collected or expected to be collected within the next 12 months. Tax revenues are recorded by the State as taxpayers earn income (personal income, general business and other taxes), as sales are made (consumption and use taxes) and as the taxable event occurs (miscellaneous taxes), net of estimated overpayments (refunds). Receivables not expected to be collected within the next 12 months are offset by deferred revenues. Expenditures and related liabilities are recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next 12 months, except for vacation leave and interest on general long-term obligations which are recorded when paid and certain pension contributions. The portion of the liabilities which are expected to be paid beyond 12 months is recorded in the General Long-term Obligations Account Group except for certain lease/purchase arrangements (see Note 10) and certain pension contributions which are being paid over the next 12 years (see Note 16).

Nonexpendable Trust Funds, the State and Local Retirement System and Public Benefit Corporations are accounted for on the accrual basis. Agency Funds are custodial in nature (assets equal liabilities) and generally are accounted for on the cash basis which approximates the modified accrual basis of accounting.

d. Cash and Investments

Cash balances of funds held in the State Treasury are commingled in a general checking account and several special purpose bank accounts. The available cash balance in the general checking account beyond immediate need is pooled for short-term investment purposes. The balances pooled are limited to legally stipulated investments which are reported at cost and approximates market value. Included in cash and investments are non-interest-bearing compensating balances of $75 million. Cash balances not held in the State Treasury and controlled by various State officials are generally deposited in interest-bearing accounts or other legally stipulated investments (see Note 2).

The State has adopted GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting" for the 1990-91 fiscal year. For purposes of reporting cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity. The combined Statement of Cash Flows presented in Exhibit E uses the indirect method of reporting net cash flows from operating activities.

e. Receivables

Receivables are stated net of estimated allowances for uncollectible amounts, which are determined based upon past collection experience and current economic conditions. Due from Federal government represents amounts owed to the State to reimburse it for expenditures incurred pursuant to federally funded programs. Other receivables represent amounts owed to the State, including lottery revenues, tuition and fees, student loans and patient fees of SUNY and Health Department hospitals and various Mental Hygiene facilities.

f. Marketable Securities Held in Lieu of Retainage

The State Comptroller is authorized to accept and hold certain securities from contractors as collateral in lieu of retainage. These securities are reported at market value and are held in trust by the State Comptroller until satisfactory completion of the contract. Interest earned on these securities accrues to the contractors.

g. General Fixed Assets

The State reports general fixed assets, consisting of: (1) land in urban centers, rural areas, and forest preserves; (2) land improvements; (3) buildings which house State offices, hospitals and educational facilities; (4) equipment used in construction work, hospitals, offices, etc. and (5) construction in progress. Fixed assets in the General Fixed Assets Account Group are reported at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The State capitalizes equipment which has a cost in excess of $15 thousand at the date of acquisition and has an expected useful life of two or more years. All initial building costs and land are capitalized. Land improvements in excess of $100 thousand are capitalized. Building improvements and renovations in excess of $100 thousand are capitalized if 75% of the useful life of the component has expired and if the useful life of the asset has been extended as a result of the renovation or the improvement has a useful life of two or more years. Interest incurred during construction is

not capitalized. General fixed assets are not depreciated. Infrastructure (e.g., roads, bridges, dams, canals, etc.) is not reported in the general purpose financial statements.

h. Long-term Obligations

The liabilities reported in the General Long-term Obligations Account Group include the State's general obligation bonds, most obligations under lease/purchase and other financing arrangements, certain pension contributions and other long-term liabilities including vacation leave, litigation, disallowances, Medicaid (State and Federal share), workers' compensation and other health insurance related liabilities pertaining to the Governmental Funds.

i. Compensated Absences

The State records vacation leave as an expenditure when paid. The estimated liability at March 31, 1991 of $660 million increased by $21 million over the liability for last year and is reported in the General Long-term Obligations Account Group. Employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 25 days a year, but may accumulate no more than a maximum of 40 days. Employees also earn sick leave credits which are recorded as an expenditure when paid. Sick leave accruals can be applied toward the cost of health insurance at retirement. However, such credits generally do not vest; accordingly, the estimated contingent liability of $1.9 billion is not reported in the accompanying general purpose financial statements.

j. Lease Accounting

The construction of certain State office buildings, campus facilities, and other public facilities has been financed through bonds and notes issued by public benefit corporations or local governments pursuant to lease/purchase agreements with the State (see Note 10).

These lease/purchase contracts are capital leases for which the State's rental payments over the duration of the agreements constitute long-term liabilities. The amount included in obligations under lease/purchase and other financing arrangements consists of total future principal payments and equals the outstanding balance of the related bonds and notes.

k. State Lottery

The State Lottery is accounted for within two funds. The revenues, administrative costs, aid to education and the expenditures for amounts allocated to prizes are reported in a Special Revenue Fund. Uncollected ticket sales at March 31, 1991 are accrued. Monies allocated to prizes are accumulated in an Agency Fund to be distributed at the appropriate time. Such monies are invested in United States government backed obligations which are recorded at amortized cost. Lottery long-term prize liabilities are recorded in the Agency Fund at a discounted value equivalent to the related investments. At March 31, 1991, the prize liabilities of approximately $2.053 billion were reported at a discounted value of approximately $1.057 billion (at interest rates of 6.37% to 13.55%).

The General Fund transferred $100 million to the State Lottery as required by the Lottery Aid Guarantee provisions of Chapter 53 Laws of 1990, to fund aid to education expenditures.

l. Reservations of Fund Balance

Net Retirement System Assets Available for Benefits
Net retirement system assets available for benefits represents the State and Local Retirement System assets available to finance pension benefit obligations (see Note 16).

Encumbrances
Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the General Fund, Special Revenue Funds and Capital Projects Funds. The cost of construction contract commitments generally is recorded as an encumbrance of Capital Projects Funds and is presented as a reserve for encumbrances. These committed amounts generally will become liabilities in future periods as the construction work is performed by the contractors. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Unemployment Benefits
Fund balance reserved for unemployment benefits represents assets available to fund future unemployment benefit payments.

Debt Service
Fund balance reserved for debt service represents assets available to finance future debt service payments.

Education Accumulation
For the 1990-91 fiscal year, the State reserved $598 million to provide for the liability for education aid. These funds are available for payment of accrued education aid during the first quarter of the 1991-92 fiscal year.

Infrastructure Trust
Pursuant to law, certain receipts of personal income taxes applicable to the 1986 calendar year which were received through December 31, 1987 are reserved for future use based upon legislative authorization. The Legislature enacted legislation authorizing the use of

these assets to help finance the shortfall in 1990-91 General Fund revenues. Such use of these assets is subject to repayment as defined in the legislation. The minimum amount to be repaid is $244 million.

Tax Stabilization
Pursuant to law, receipts in excess of disbursements of the Local Assistance and State Purposes Accounts not otherwise appropriated are required to be transferred to the Tax Stabilization Reserve Fund at the end of each fiscal year. These amounts may be borrowed by these two accounts temporarily and repaid within the same fiscal year. They may also be borrowed to cover an operating deficit at year-end. Generally, these loans must be repaid within six years in no less than three equal annual installments. The amount reported represents $201 million of unpaid accumulated borrowings as of March 31, 1991.

Other Specified Purposes
The amount of fund balance reserved for other specified purposes represents the net amount of appropriated loans receivable (see Note 4) and amounts available to fund various fiduciary arrangements.

m. Post-retirement Benefits

In addition to providing pension benefits, the State is statutorily required to provide health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the State's employees may become eligible for these benefits if they reach normal retirement age while working for the State. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the State and the retired employee. The State recognizes the cost of providing health insurance by recording its share of insurance premiums ($259 million for 88,186 retirees and their dependents) as an expenditure in the General Fund in the year paid. Additionally, the survivor's benefit program provides for a death benefit to be paid by the State to a retiree's designated beneficiary. During the year, approximately $8 million was paid on behalf of 2,607 retirees and recorded as an expenditure in the General Fund.

n. Deferred Compensation

The State and other participating public jurisdictions offer their employees a Deferred Compensation Plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all employees, permits participants to defer a portion of their salary until future years. Amounts deferred under the Plan are not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the Plan, all property and rights purchased with the amounts, and all income attributable to these amounts are solely the property and rights of the employer, subject only to the claims of the employer's general creditors. Participants' rights under the Plan are equal to those of general creditors of the employer in an amount equal to the fair market value of the deferred account of each participant. The State has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor. The State believes it is unlikely that Plan assets will be used to satisfy future claims of general creditors. Plan assets of $776 million, at March 31, 1991, were reported at fair market value within the sole custody agency funds. The State's share of assets was $634 million with the remaining $142 million representing assets of other participating jurisdictions.

o. Deficit Fund Balances

In addition to the General Fund, as of March 31, 1991, fund deficits were also reported in the State Housing Debt Fund ($10 million), the Unemployment Insurance Interest and Penalty Fund ($2 million), the State Capital Projects Fund ($20 million), the Pure Waters Bond Fund ($5 million), the Environmental Quality Protection Bond Fund ($15 million), the Accelerated Capacity and Transportation Improvements Fund ($191 million), the Mental Hygiene Facilities Capital Improvement Fund ($228 million), the Correctional Facilities Capital Improvement Fund ($199 million) and other miscellaneous Capital Projects Funds ($134 million).

Note 2

CASH AND INVESTMENTS

Custodians are authorized by various statutes to deposit funds in checking accounts or interest-bearing accounts including certificates of deposit. Legally authorized investments vary by fund but generally include: Obligations of or guaranteed by the United States; obligations of New York State and its political subdivisions; and repurchase agreements.

Information on cash and investments of the State and Local Retirement System is presented in Note 16 and of the Public Benefit Corporations (before eliminations) in Note 17.

Cash

The State maintains approximately 3,000 bank accounts for various purposes at locations throughout the State. Bank deposits may be under the joint custody of the State Comptroller and the Commissioner of Taxation and Finance or under the sole custody of a specified State official. Both the State Comptroller and the

Commissioner of Taxation and Finance are also sole custodians of certain accounts. Cash balances not required for immediate use are invested either through a short-term investment pool (STIP) administered by the State Comptroller or by the fund custodian.

For demand or checking accounts, the State requires that its depository banks pledge collateral based on average daily available bank balances. All securities pledged as collateral are held by the State's fiscal agent in the name of the State. The use of average daily available balances to determine collateral requirements results in the available balances being undercollateralized at various times during the fiscal year. The State's cash management policy is to invest all major revenues as soon as the monies are available within the banking system which limits undercollateralization. The State's deposits with financial institutions were fully collateralized at fiscal year-end except for accounts with a total book balance of $146 million and bank balance of $139 million of which $78 million was uncollateralized.

Investments

The State holds investments both for its own benefit and as an agent for other parties. Major investment programs conducted for the direct benefit of the State include STIP which is used for the temporary investment of funds not required for immediate payments, sole custody funds administered by the Department of Taxation and Finance, and funds of the Division of the Lottery.

The following table presents the carrying amount and market value of investments by type and categorizes the carrying amounts as follows: Category 1 are those which are insured or registered, or held by the State or its agent in the State's name. Category 2 are those which are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the State's name (amounts in thousands):

Disclosures relating to risk and type of investment as presented above are indicative of activity and positions held during the year.

Also included in the accompanying general purpose financial statements are securities which either were not acquired for investment purposes or cannot be categorized. The State Deferred Compensation Plan invests in various mutual funds at the direction of the participants. These investments had a carrying amount and market value of $776 million at March 31, 1991. SUNY and CUNY endowment funds and the trustees of certificates of participation also had investments in investment pools and mutual funds with a carrying amount and market value of $96 million at March 31, 1991. Employers seeking self-insurer status for workers' compensation purposes may deposit securities specified by Section 235 of the New York State Banking Law with the chairman of the Workers' Compensation Board. The State holds these securities (carrying amount $31 million, which approximates market) only as an agent for the employers. Securities which are unclaimed at financial institutions are transferred periodically to the State and are held temporarily by the State until they can be liquidated. The securities or proceeds can be claimed by the owners under established procedures (see Note 13). These securities had a carrying amount and market value of $7 million at March 31, 1991. The State also holds cash and securities deposited by contractors in lieu of retainage on contract payments (carrying amount and market value of $84 million). In addition, the State has approximately $2 billion on deposit with the United States Government. These funds represent unemployment insurance taxes collected from New York State employers which are transferred daily to the Federal Unemployment Insurance Fund in the United States Treasury.

	Category			Carrying Amount	Market Value
	1	2	3		
Repurchase agreements	$ 3,338,448	$ 100,071	$ —	$ 3,438,519	$ 3,438,519
Government securities	2,291,913	291,628	—	2,583,541	2,674,111
Corporate bonds	17,179	76,569	—	93,748	93,748
Equity securities	74,718	25,879	—	100,597	100,597
Other	181,057	29,533	4,156	214,746	214,746
Total	**$ 5,903,315**	**$ 523,680**	**$ 4,156**	**$ 6,431,151**	**$ 6,521,721**

Note 3

TAXES RECEIVABLE AND TAX REFUNDS PAYABLE

Taxes Receivable

Taxes receivable represent amounts owed by taxpayers for the 1990 calendar year and the first quarter of the 1991 calendar year, including assessments for underpayments, penalties and interest. Taxes receivable are accrued when they become both measurable and available based on actual collections or estimates of amounts to be collected during the next 12 months.

Personal income tax (PIT) revenues are reported by the State as income is earned by the taxpayers. The primary components of the PIT receivable are the estimated and withholding payments which relate to the first quarter of the 1991 calendar year, payments with final returns which relate to the 1990 calendar year, and assessments which relate to prior tax periods.

Consumption and use tax revenues are reported by the State in the fiscal period when the sale is made. The principal component of this receivable is sales tax receivables which include sales tax due through March 31, 1991 and assessments.

General business tax revenues are reported by the State as businesses earn income. General business tax receivables are comprised of estimated tax payments, payments remitted with final returns, and assessments.

Unemployment tax receivables represent taxes on payrolls incurred by employers prior to April 1, 1991 and received by the State after March 31, 1991.

Taxes receivable at March 31, 1991 are summarized as follows (amounts in thousands):

	General	Special Revenue	Debt Service	Trust and Agency
Personal income	$2,818,565	$ —	$ —	$ —
Consumption and use	617,625	19,913	164,601	—
General business	212,557	50,749	—	—
Unemployment	—	—	—	623,306
Other	280,351	—	—	—
Total	**$3,929,098**	**$ 70,662**	**$ 164,601**	**$ 623,306**

Tax Refunds Payable

Tax refunds payable primarily represent amounts owed to taxpayers because of overpayments of their 1990 calendar year and first quarter 1991 calendar year tax liabilities. Tax refunds payable, which reduce respective tax revenues, are accrued to the extent they are measurable based on payments and estimates. The amount of PIT refunds payable is comprised of estimates of overpayments of the first calendar quarter (1991) tax liability and payments of 1990 calendar and prior year refunds. The remaining portion of tax refunds payable is comprised of payments made subsequent to the end of the fiscal year and estimates of the refund liability.

Tax refunds payable at March 31, 1991 are summarized as follows (amounts in thousands):

	General	Special Revenue	Debt Service
Personal income	$2,202,318	$ —	$ —
Consumption and use	9,285	186	1,128
General business	436,209	5,062	—
Other	13,621	—	—
Total	**$2,661,433**	**$ 5,248**	**$ 1,128**

Note 4

OTHER RECEIVABLES

Other receivables at March 31, 1991 are summarized as follows (amounts in thousands):

	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
Miscellaneous receivables:					
Lottery	$ —	$ 35,797	$ —	$ —	$ —
Tuition and fees	—	—	9,085	—	—
Patient fees	—	—	490,105	—	—
Student loans	—	—	—	—	152,896
Employers' and employees' pension contributions	—	—	—	—	1,352,695
Other	822,507	43,026	123,400	1,476	1,131,234
	822,507	**78,823**	**622,590**	**1,476**	**2,636,825**
Allowance for uncollectibles	(20,584)	(4,307)	(223,627)	(34)	(14,099)
	801,923	**74,516**	**398,963**	**1,442**	**2,622,726**
Appropriated loans:					
Assessments	51,030	—	—	22,711	—
Due from local governments	5,226	—	—	10,105	—
Due from public benefit corporations	58,535	—	—	664,855	—
	114,791	**—**	**—**	**697,671**	**—**
Allowance for uncollectibles	(52,206)	—	—	(669,419)	—
	62,585	**—**	**—**	**28,252**	**—**
Total	**$ 864,508**	**$ 74,516**	**$ 398,963**	**$ 29,694**	**$ 2,622,726**

Appropriated loans represent monies appropriated in the form of loans or advances from the General Fund to finance agency or public benefit corporations' operations, or from various Capital Projects Funds to finance construction or debt service of public benefit corporations or local governments. The underlying appropriation bills provide that amounts will be repaid pursuant to repayment agreements with public benefit corporations or local governments. The loans are reported net of estimated uncollectible amounts and as a reservation of fund balance.

Pursuant to an agreement with the Port Authority of New York and New Jersey, the State sold its lease rights at the World Trade Center in return for a series of payments to the State over a period of 30 years (see Note 18). A receivable for $598 million has been recorded in the General Fund (included as other in the table above) and offset by deferred revenues of $591 million which represents the long-term portion of the receivable.

Note 5

GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets for the year ended March 31, 1991 (amounts in thousands):

Classes	Balance April 1, 1990	Additions	Deletions	Balance March 31, 1991
Land	$ 699,785	$ 39,279	$ 4,576	$ 734,488
Land improvements	270,465	12,891	69	283,287
Buildings	7,555,114	397,542	9,799	7,942,857
Equipment	842,281	170,766	45,315	967,732
Construction in progress	641,387	532,254	191,223	982,418
Total	**$ 10,009,032**	**$ 1,152,732**	**$ 250,982**	**$ 10,910,782**

Note 6

PAYABLE TO LOCAL GOVERNMENTS

Governmental Fund Types

At March 31, 1991, the State was liable to various municipalities and school districts for unpaid State aid for education ($2.463 billion) and other purposes ($3.122 billion). The liability for aid to education represents amounts earned by school districts ratably over the school districts' fiscal year in excess of amounts paid prior to March 31, 1991. This liability was appropriated by the State Legislature for payment during April, May and June of 1991. The need to liquidate this liability within the first three months of the ensuing fiscal year contributes significantly to the State's short-term borrowing needs each spring (see Note 7).

Trust and Agency Funds

At March 31, 1991, the State, in its fiduciary capacity to collect the local share of sales tax revenues and various escrow funds, reported liabilities of $2.026 billion to various local governments.

Note 7

SHORT-TERM FINANCING

Notes, including commercial paper and bond anticipation notes, are issued by the State in anticipation of the proceeds of voter-authorized bond issues. Notes may be issued for a term not exceeding two years. The notes may be redeemed only from the proceeds of permanent bonds or reissued notes. Notes outstanding at March 31, 1991 were issued at rates of 2.5% to 6.625% in the form of commercial paper.

Changes in Capital Projects Fund notes during the year (not including renewals) were as follows (amounts in thousands):

Purpose	Outstanding April 1, 1990	Issued	Redeemed	Outstanding March 31, 1991
Environmental quality land acquisition	$ 4,000	$ 5,800	$ 4,800	$ 5,000
Environmental quality protection:				
Air	3,150	10,850	10,500	3,500
Land	2,000	5,000	5,000	2,000
Water	8,000	23,200	26,700	4,500
Accelerated capacity and transportation improvements of the nineties (Action)	31,850	189,850	22,600	199,100
Rebuild New York—transporation infrastructure renewal:				
Highways, parkways, bridges	192,400	4,000	192,400	4,000
Ports, canals, waterways	600	5,400	5,400	600
Rapid transit, rail, aviation	—	8,000	4,200	3,800
Transportation capital facilities aviation	—	3,600	3,600	—
Pure Waters	—	7,300	2,300	5,000
Total	**$ 242,000**	**$ 263,000**	**$ 277,500**	**$ 227,500**

In February 1991, the State issued tax and revenue anticipation notes of $905 million. The notes carry an interest rate of 5.00% to 5.25% and mature on December 30, 1991. The notes are considered general obligations of the State and have the full faith and credit of the State. The principal and interest will be paid from taxes and miscellaneous revenues of the General Fund. The State Comptroller is required by statute to impound sufficient funds in a separate bank account to pay principal and interest on the notes at maturity.

The State also issues tax and revenue anticipation notes in bearer form annually, soon after the beginning of each fiscal year. These notes are issued primarily because the State makes almost one-half of its payments of grants to local governments and a substantial portion of the personal income tax refunds during the first quarter of the fiscal year while tax and other revenues are received more ratably over the fiscal year.

In June 1991, the State issued such notes in the aggregate amount of $3.9 billion. The notes were issued at an interest rate of 5.40% and are payable on March 31, 1992. The notes are general obligations of the State and have the full faith and credit of the State. The principal and interest will be paid from taxes and miscellaneous revenues of the General Fund. The State Comptroller is required by statute to impound sufficient funds in a separate bank account to pay principal and interest on the notes at maturity. Similarly, tax and revenue anticipation notes of $4.1 billion were issued in June 1990 and repaid by March 28, 1991. In June 1990, the Legislature enacted fiscal reform legislation which includes a requirement to reduce the annual sale of the above notes. This will be accomplished by selling long-term debt as a substitute for the annual sale of these notes (see Note 9).

In March 1991, the State's budgetary (cash) basis General Fund closed an operating deficit by borrowing $176.5 million from the State's short-term investment pool in the form of tax and revenue anticipation notes. The notes carried an interest rate of 6.10% and are due on January 17, 1992. The borrowing is reported within due to other funds and due from other funds on the combined balance sheet. In addition, in March 1991, the State issued $20 million in bond anticipation notes to the State's short-term investment pool. These notes are reported within due to other funds and due from other funds on the combined balance sheet.

Note 8

BONDS PAYABLE

General obligation bonds are backed by the full faith and credit of the State and must be repaid in equal annual installments beginning not more than one year after issuance of such bonds. Changes for the year were as follows (amounts in thousands):

Purpose	Outstanding April 1, 1990	Issued	Redeemed	Outstanding March 31, 1991
Accelerated capacity and transportation improvements of the nineties (6.2%-9.5%)	$ 217,850	$ 324,200	$ 19,485	$ 522,565
Environmental quality:				
Land acquisition (6.0%-9.5%)	94,200	40,800	4,790	130,210
Solid waste management (6.1%-10.0%)	40,000	40,000	2,000	78,000
Environmental quality protection:				
Air (5.5%-12.5%)	32,620	10,500	4,840	38,280
Land (4.0%-12.5%)	176,440	11,000	11,829	175,611
Wetlands (5.5%-6.0%)	703	—	231	472
Water (3.75%-12.5%)	366,237	36,000	19,769	382,468
Higher education (2.0%-6.5%)	73,680	—	5,800	67,880
Housing:				
Low income (1.0%-7.0%)	370,548	—	19,054	351,494
Middle income (3.25%-7.0%)	110,671	—	2,356	108,315
Urban renewal (5.6%-9.0%)	7,390	—	505	6,885
Outdoor recreation development (3.0%-12.5%)	44,755	100	8,040	36,815
Parks and recreation land acquisition (5.0%-12.5%)	5,565	—	955	4,610
Pure waters (2.0%-12.5%)	501,355	25,800	31,060	496,095
Rail preservation (4.0%-12.5%)	165,270	—	9,805	155,465
Transportation capital facilities:				
Highways (2.0%-5.5%)	139,750	—	50,550	89,200
Mass transportation (2.0%-12.5%)	517,860	—	33,700	484,160
Aviation (3.0%-12.5%)	126,115	7,500	7,320	126,295
Energy conservation through improved transportation (6.0%-12.5%)	302,375	1,800	27,770	276,405
Rebuild New York—transportation infrastructure renewal:				
Highways, parkways, bridges (5.1%-9.5%)	603,503	239,400	72,157	770,746
Ports, canals, waterways (6.0%-9.1%)	27,160	8,100	2,380	32,880
Rapid transit, rail, aviation (6.0%-9.5%)	62,150	8,100	3,340	66,910
Total	**$ 3,986,197**	**$ 753,300**	**$ 337,736**	**$ 4,401,761**

Debt service expenditures related to general obligation bonds during the year were $604 million.

Debt service requirements for general obligation bonds in future years, which are financed by transfers from the General Fund, are as follows (amounts in thousands):

Fiscal Year	Principal	Interest	Total
1992	$ 381,147	$ 288,116	$ 669,263
1993	361,769	262,273	624,042
1994	332,282	238,006	570,288
1995	324,756	215,853	540,609
1996	317,746	194,712	512,458
Thereafter	2,684,061	1,267,007	3,951,068
Total	**$ 4,401,761**	**$ 2,465,967**	**$ 6,867,728**

The total amount of general obligation bonds authorized but not issued at March 31, 1991 was $3.997 billion.

During fiscal year 1986-87, the State issued $405 million of general obligation refunding bonds with interest rates of 5.90% to 12.00%. The bonds were issued to effect a crossover refunding through the redemption of an equal amount of certain maturities of existing general obligation bonds with interest rates of 8.00% to 12.00%. The proceeds of the refunding bonds have been placed in an escrow account to provide for the redemptions which will take place on six specific dates between 1990 and 1992. The State expects to reduce its debt service expenditures by approximately $73 million, having a present value discounted semiannually at a rate of interest equal to the yield of the bonds of approximately $32 million. Debt service expenditures related to general obligation refunding bonds during the year were $154 million.

Interest on the refunding bonds is paid from the escrow account until the refunded bonds are redeemed. The escrow funds ($238 million) are reported as a reservation of fund balance within the Debt Service Funds. The refunding bonds of $237 million are reported in the General Long-term Obligations Account Group as other long-term liabilities which represents a decrease of $121 million from the prior year.

Note 9

LOCAL GOVERNMENT ASSISTANCE CORPORATION

Each year certain payments due to the State's local government units in the first quarter of the State's fiscal year exceed available State funds (see Note 7). To meet these payments, the State has issued short-term tax and revenue anticipation notes called the annual spring borrowing. The New York Local Government Assistance Corporation (the "Corporation") was established by Chapter 220 of the Laws of 1990 (as amended by Chapter 2 of the Laws of 1991) to issue up to $4.7 billion in long-term debt to finance certain local assistance aid payments and amounts necessary to fund a capital reserve fund. Issuance of the entire $4.7 billion of bonds is expected to eliminate the need for the State's annual spring borrowing.

Payments of debt service on the Corporation's bonds will be made from funds received from the State. Pursuant to the Act establishing the Corporation, the State deposits 25% of the total State sales and use tax collected into a special fund which is to be used to make payments to the Corporation. Amounts in excess of the Corporation's needs are subsequently transferred to the General Fund. Payments to the Corporation are subject to annual appropriations by the Legislature. The Corporation's bondholders do not have a lien on monies deposited in the State fund. The fiscal year ended March 31, 1991 is the initial year of the Corporation's existence and only one bond sale has occurred during the year. The full $4.7 billion of bonds is expected to be issued by the end of 1993.

Pursuant to statute, the Corporation was authorized to issue $1.6 billion during its 1990-91 fiscal year; the Corporation actually issued $910 million in Series 1991A bonds. The $910 million in issued debt includes a $74 million capital reserve deposit, and $36 million in discounts and issuance costs. Interest rates for the 1991A issue range from 5.70% to 7.25%.

The Corporation's general bond resolution requires one or more capital reserve accounts be established and funded in an amount equal to the maximum amount of principal, sinking fund installments or redemption price of and interest on all bonds outstanding or on any related reimbursement obligations coming due during the then current or any succeeding fiscal year. The Corporation may also fund a capital reserve account with a surety bond or other similar instrument. Funding of the reserve is reported as an operating transfer from the General Fund. The reserve ($81 million) is reported as cash and investments in the Debt Service Fund with a corresponding reservation of fund balance. Debt Service requirements for future years are as follows (amounts in thousands):

Fiscal Year	Principal	Interest	Total
1992	$ —	$ 39,931	$ 39,931
1993	13,655	59,508	73,163
1994	14,435	58,707	73,142
1995	15,260	57,846	73,106
1996	16,160	56,903	73,063
Thereafter	850,478	960,161	1,810,639
Total	**$ 909,988**	**$ 1,233,056**	**$ 2,143,044**

During the year the Corporation made $800 million in payments to school districts. These payments are recorded as grants to local governments in the General Fund. Future payments of grants to local governments by the Corporation are subject to legislative authorization providing for the amount and type of local assistance payments.

The Corporation is a component unit of the State. Therefore, the Corporation's financial transactions have been blended into the State's fund and account structure. The Corporation's bonds are reported in the General Long-term Obligations Account Group and recorded as obligations under lease/purchase and other financing arrangements. The net bond proceeds of $874 million are recorded in the Local Assistance Account of the General Fund as proceeds from financing arrangements/advance refundings. The bond proceeds, net of $74 million used to finance debt service reserves, were used to fund grants to local government payments and had the effect of reducing the General Fund operating deficit by $800 million. Therefore, without the use of the Corporation bond proceeds the General Fund operating deficit would have been $1.8 billion and the General Fund accumulated deficit, reported in Exhibit A, would have been $7.066 billion.

On June 25, 1991, the Corporation issued $558 million Series 1991B bonds, the net proceeds of which will be used to make grants to local governments payments.

Note 10

OBLIGATIONS UNDER LEASE/PURCHASE AND OTHER FINANCING ARRANGEMENTS

The State has entered into lease/purchase agreements with certain public benefit corporations, municipalities and other entities for various capital assets. Under these agreements, construction costs are initially paid by the State from appropriations (reported as capital construction expenditures in the Capital Projects Fund). These appropriations are then repaid to the State from the proceeds of bonds issued by the public benefit corporations or other entities (reported as proceeds from financing arrangements in the Capital Projects Fund). The State becomes the tenant of the facility under a lease/purchase agreement which provides for the payment of rentals sufficient to cover the related bond debt service and for the passage of title to the State after the bonds have been repaid.

The State has also entered into contractual obligation financing arrangements (also referred to as "service contract bonds") with the Metropolitan Transportation Authority ($1.781 billion) and the Urban Development Corporation ($448 million). The terms of these arrangements require the State to fund the debt service requirements of the specific debt issued by these entities. The public benefit corporations retain title to the assets acquired with the bond proceeds.

During the year, the State entered into various arrangements for the refinancing and purchase of equipment and real property through the issuance of certificates of participation. These certificates are issued through a trustee and the State is responsible for payments to the trustee that approximate the interest and principal payments made by the trustee to the certificate holders. The State maintains custody and use of the equipment and real property. However, title is held by the trustees as security for the certificate holders until such time as the certificates are fully paid. Proceeds from the issuance of these certificates and the related capital construction expenditures are accounted for in essentially the same manner as lease/purchase agreements.

Changes for lease/purchase and other financing arrangements for the year were as follows (amounts in thousands):

	Outstanding April 1, 1990	Additions	Payments	Outstanding March 31, 1991
Public Benefit Corporations (see Note 17):				
Housing Finance Agency	$ 462,880	$ 191,665	$ 462,880	$ 191,665
Dormitory Authority	3,697,203	1,548,390	497,190	4,748,403
Thruway Authority	111,380	72,845	16,090	168,135
Triborough Bridge and Tunnel Authority (TBTA)	412,595	532,515	412,595	532,515
Metropolitan Transportation Authority	1,329,010	466,100	13,635	1,781,475
Medical Care Facilities Finance Agency	946,416	219,135	17,350	1,148,201
Urban Development Corporation	1,167,934	544,220	21,481	1,690,673
Total PBCs	**8,127,418**	**3,574,870**	**1,441,221**	**10,261,067**
Other Entities:				
County of Albany	284,050	—	40,050	244,000
Other municipalities	15,810	—	3,175	12,635
Total PBCs and other entities	8,427,278	3,574,870	1,484,446	10,517,702
Certificates of Participation	659,733	91,545	96,558	654,720
Local Government Assistance Corporation (see Note 9)	—	909,988	—	909,988
Total	$ 9,087,011	$ 4,576,403	$ 1,581,004	$ 12,082,410

Debt service expenditures for the aforementioned obligations during the year were $796 million. These expenditures were financed primarily by the revenues reported in the Debt Service Funds, transfers of Medicaid monies from the Special Revenue Funds and transfers from the General Fund (see Note 11).

Certain of the underlying bond indentures require the maintenance of various reserves. Such amounts ($697 million) are reported as cash of the appropriate Debt Service Fund with a corresponding reservation of fund balance.

Following is a summary of the future minimum rental payments for lease/purchase and contractual obligations financing arrangements including interest at rates of 3.5% to 12.5% (amounts in thousands):

Fiscal Year	Principal	Interest	Total
1992	$ 181,107	$ 824,713	$ 1,005,820
1993	254,785	722,942	977,727
1994	271,869	706,876	978,745
1995	289,890	689,546	979,436
1996	307,572	670,551	978,123
Thereafter ...	9,212,479	9,311,797	18,524,276
Total	**$ 10,517,702**	**$ 12,926,425**	**$ 23,444,127**

Certain certificate of participation issues require the maintenance of a reserve. These amounts ($99 million) are reported as cash of the appropriate Debt Service Fund with a corresponding reservation of fund balance.

Debt service requirements for certificates of participation, which are financed by transfers from the General Fund, including interest at rates of 4.50% to 8.30%, are as follows (amounts in thousands):

Fiscal Year	Principal	Interest	Total
1992	$ 109,089	$ 43,608	$ 152,697
1993	108,107	35,644	143,751
1994	99,767	28,462	128,229
1995	55,592	22,371	77,963
1996	43,155	18,528	61,683
Thereafter ...	239,010	132,197	371,207
Total	**$ 654,720**	**$ 280,810**	**$ 935,530**

The State is also committed under numerous capital leases covering EDP and telecommunications equipment. Debt service expenditures for these obligations during the year were $24 million. The liability for the remaining principal of $88 million is reported in the General Long-term Obligations Account Group. Following is a summary of the principal and interest payments, which are financed by transfers from the General Fund, for the remaining lease periods of these capital leases (amounts in thousands):

Fiscal Year	Principal	Interest	Total
1992	$ 28,738	$ 3,508	$ 32,246
1993	24,272	2,391	26,663
1994	15,501	1,149	16,650
1995	9,938	726	10,664
1996	4,850	144	4,994
Thereafter ...	4,870	—	4,870
Total	**$ 88,169**	**$ 7,918**	**$ 96,087**

There were six refunding issues affecting lease/purchase agreements during the fiscal year ended March 31, 1991. Five of these were completed by the Dormitory Authority. The refunded debt for one of these issues was originally offered by the Housing Finance Agency (HFA) for State University Construction Fund debt. The sixth refunding was made by the TBTA for the refinancing of the Convention Center.

The first issue represented a $537 million refinancing by the Dormitory Authority. This refunding issue refinanced HFA debt and will increase the State's debt service payments by $267 million and results in an economic loss (present value) of $30 million.

The second issue represented an $86 million refinancing by the Dormitory Authority of CUNY Construction debt. This refunding issue will increase the State's debt service payments by $5.6 million and results in an economic gain of $1.7 million.

The third issue represented a $311 million refinancing by the Dormitory Authority of CUNY Construction debt. This refunding issue will increase the State's debt service payments by $67 million and results in an economic loss of $41.9 million.

The fourth issue represented a $37.5 million refinancing by the Dormitory Authority of CUNY Construction debt. This refunding will increase the State's debt service payments by $12.3 million and results in a economic loss of $4.8 million.

The fifth issue represented a $50 million refinancing by the Dormitory Authority of health facilities debt and will decrease the State's debt service payments by $5.3 million and results in an economic gain of $4.8 million.

The sixth issue represented a $533 million refinancing by the TBTA of Convention Center debt. This refunding will increase the State's debt service payments by $15.5 million and results in an economic gain of $11 million.

Bonds underlying several lease/purchase and other financing arrangements have been the subject of advance refundings. The assets and liabilities relating to the refunded bonds are not reported in the accompanying general purpose financial statements. At March 31, 1991, approximately $5 billion of such bonds are outstanding.

In March 1989, the State refinanced certain lease/purchase agreement rental payments. The refinancing plan required the Urban Development Corporation to sell $123 million in capital appreciation bonds for the purpose of funding the next four semiannual lease payments which are normally funded by transfers from the General Fund to the Debt Service Funds. The bonds have sinking fund requirements which begin in 1998, maturity dates ranging from 1998 to 2011, interest rates ranging from 7.5% to 8.1% and total payments amounting to $432 million. The liability relating to the outstanding principal balance and any accrued interest on the bonds is reported as other long-term liabilities within the General Fund.

The State is also committed under numerous operating leases covering real property and equipment. Rental expenditures reported for the year ended March 31, 1991 under such operating leases totaled $313 million and were financed primarily from the General Fund. Following is a summary of the future minimum rental commitments under noncancellable real property and equipment leases with terms exceeding one year (amounts in thousands):

Fiscal Year	
1992	$ 144,068
1993	133,052
1994	116,645
1995	97,221
1996	72,758
Thereafter	169,056
Total	$ 732,800

Note 11

INTERFUND TRANSACTIONS

Operating Transfers

Operating transfers constitute the transfer of resources from the fund that receives the resources to the fund which utilizes them. The more significant transfers include the transfer of General Fund revenues to Capital Projects Funds ($230 million) and to Debt Service Funds ($783 million); and the transfer of excess revenues of Debt Service Funds to the General Fund in support of certain higher education, mental health and retardation expenditures ($2.745 billion) and in support of CUNY operations ($181 million). The latter transfers are made after first satisfying debt service and rental reserve requirements using revenues provided by tuition and patient fees. Operating transfers from Special Revenue Funds to Debt Service Funds represent the Federal share of Medicaid payments for recipients residing in State-operated mental health and retardation facilities ($1.172 billion). The General Fund, Special Revenue Funds and Capital Projects Funds made operating transfers of $292 million, $703 million and $136 million, respectively, to subsidize the operations of and provide capital contributions to certain public benefit corporations. These amounts differ from operating transfers from other funds reported by Public Benefit Corporations because of the different fiscal years for certain public benefit corporations and the State and because certain operating transfers are reported as contributed capital by public benefit corporations. In addition, operating transfers from certain public benefit corporations to various Governmental Funds totaled $117 million. Accordingly, operating transfers to other funds exceed operating transfers from other funds by $39 million.

Due From/To Other Funds

The following is a summary of due from other funds and due to other funds at March 31, 1991 (amounts in thousands):

Fund Type/Fund	Due From	Due To
GENERAL	$ 603,873	$ 324,734
SPECIAL REVENUE		
Federal DHHS	2,572	224,477
Federal DHHS Block Grants	12,406	2,911
Federal Operating Grants	20,379	3,218
Mass Transportation Operating Assistance	59,849	—
Other Special Revenue	15,048	12,032
	110,254	242,638
DEBT SERVICE		
Mental Hygiene Services	80,177	—
Department of Health Income	5,572	—
State University Dormitory Income	8,948	86
State University Income	39,236	1,470
	133,933	1,556
CAPITAL PROJECTS		
Environmental Quality Protection Bond	—	19,700
Federal Capital Projects	49	36,508
Mental Hygiene Facilities Capital Improvement	4,109	203,352
Correctional Facilities Capital Improvement	126	171,739
Other Capital Projects	4,164	99,252
	8,448	530,551
TRUST AND AGENCY		
Employees Health Insurance	84,580	318
Lottery Prize	13,998	—
Fringe Benefit Escrow	27,657	27
MMIS Statewide Escrow	58,959	—
SUNY Collection Fund	7,269	36,562
Other Trust and Agency	88,267	852
	280,730	37,759
Total	$ 1,137,238	$ 1,137,238

Note 12

BUDGETARY BASIS REPORTING

The State Constitution requires the Governor to submit annually an Executive Budget which contains a complete plan for all funds of expenditures for the ensuing fiscal year and all monies and revenues estimated to be available. The Executive Budget is accompanied by bills containing all recommended appropriations or reappropriations and any proposed legislation necessary to provide monies and revenues sufficient to meet such proposed expenditures. Budgets are prepared and enacted for all governmental funds. Included in the proposed appropriation bills is a provision for spending authority for unanticipated revenues or unforeseen emergencies in accordance with statutory requirements. The Executive Budget includes a cash basis financial plan which must be in balance, i.e., disbursements must not exceed receipts. It also contains a five-year financial projection for governmental funds and a five-year capital plan. A GAAP basis financial plan for the ensuing fiscal year is presented for informational purposes.

The Legislature enacts appropriation bills and revenue measures embodying those parts of the Executive Budget it has approved or modified. The Legislature may also enact a supplemental appropriation bill and special appropriation bills. When the Legislature convenes in January, it may enact a deficiency appropriation bill which authorizes additional unforeseen expenditures for the then current fiscal year.

An appropriation is a statutory authorization against which expenditures may be made during a specific fiscal year, and from which disbursements may be made, for the purposes designated, up to the stated amount of the appropriation. An appropriation represents the maximum spending authority and is not a mandate to spend. The State's central accounting system (CAS) includes controls over disbursements to ensure that the maximum spending authority is not exceeded during the life of the appropriation. Disbursements are controlled at the major object level within each program/project of each State agency in accordance with the underlying approved appropriation bills. The major object and program/project levels vary among State agencies. Compliance with the level of legal control is reported in a separate five thousand page document entitled "Appropriation/Segregation Accounts" which is available upon request. This document reports both disbursements and encumbrances, which reserve a portion of the applicable appropriation, thereby ensuring that the appropriations are not exceeded. Encumbrances are not considered a disbursement in the financial plan or an expenditure in the GAAP based financial statements. Appropriations do not lapse at fiscal year end. Generally, all appropriations lapse on September 15, following the end of the fiscal year, except for State Operations appropriations which lapse on June 30. Disbursements related to prior year appropriations and made during the lapse period are included in the subsequent fiscal year financial plan. The funds appropriated are determined in accordance with constitutional and statutory requirements. Many appropriations enacted are never intended to be used although required by law, such as the insurance funds reserve guarantee appropriations of $1.672 billion (see Note 13). These types of appropriations will generally cause total appropriation authorizations to exceed cash basis financial plan (Exhibit C) disbursement amounts. Actual disbursements exceeded financial plan disbursements as reported on Exhibit C but did not exceed total appropriations. Most Capital Projects appropriations and many State operations appropriations are reappropriated each year by the Legislature and therefore the life of such appropriations may be many years.

The annual budget cycle normally begins during the summer prior to the commencement of the fiscal year with the State departments developing their budget requests for submission to the Division of the Budget in September. During the fall, the departmental requests are analyzed by the Division of the Budget, formal budget hearings are held and major policy decisions are made by the Governor and his staff. The Executive Branch phase of the process culminates in the submission of the Executive Budget to the Legislature in January. The Legislative fiscal committees review the Executive Budget, the Legislature holds public hearings and it modifies the proposed Executive Budget, and appropriation bills are expected to be enacted into law by the April 1 start of the fiscal year.

Once the appropriation and revenue bills become law, the cash basis and the GAAP basis financial plans are revised by the Governor to reflect the impact resulting from changes in appropriations and revenue bills. The cash basis financial plan, which serves as the basis for the administration of the State's finances during the fiscal year, authorizes spending at amounts less than or equal to the appropriations enacted by the Legislature. Furthermore, both the State Comptroller and Director of the Budget must certify that the cash basis financial plan is in balance to permit the annual issuance of the tax and revenue anticipation notes (see Note 7). Accordingly, the cash basis financial plan is generally considered to be the State's "Budget" and the appropriate plan to present in Exhibit C.

The Governor is required to provide a quarterly report to the Legislature showing a comparison of the actual year-to-date results with the latest revised plans providing an explanation of any major deviations and any significant changes to the financial plans. Such revisions to the financial plan do not require that balance be maintained between receipts and disbursements. The following represents a comparison of the

State's cash basis financial plan as originally published by the Governor in June 1990 with subsequent published modifications by the Governor to reflect changes during the fiscal year (amounts in millions):

	June 1990	Modifications	February 1991
GENERAL			
Receipts:			
Taxes	$ 29,098	$ (2,817)	$ 26,281
Miscellaneous	1,194	64	1,258
Total receipts	30,292	(2,753)	27,539
Disbursements:			
Grants to local governments	20,263	(754)	19,509
Departmental operations	6,677	(192)	6,485
General state charges	1,498	(30)	1,468
Debt service	279	(11)	268
Total disbursements	28,717	(987)	27,730
Other financing sources (uses):			
Deficit TRANs, net	(775)	905	130
Transfers from other funds	257	958	1,215
Transfers to other funds	(1,057)	(97)	(1,154)
Net other financing sources (uses)	(1,575)	1,766	191
Receipts and other financing sources over (under) disbursements and other financing uses	$ —	$ —	$ —
SPECIAL REVENUE			
Receipts:			
Taxes	$ 682	$ 26	$ 708
Miscellaneous	3,094	(352)	2,742
Federal grants	11,468	177	11,645
Total receipts	15,244	(149)	15,095
Disbursements:			
Grants to local governments	11,968	152	12,120
Departmental operations	4,429	69	4,498
General state charges	287	(14)	273
Capital projects	2	(1)	1
Total disbursements	16,686	206	16,892
Other financing sources (uses):			
Transfers from other funds	2,997	181	3,178
Transfers to other funds	(1,325)	(50)	(1,375)
Net other financing sources (uses)	1,672	131	1,803
Receipts and other financing sources over (under) disbursements and other financing uses	$ 230	$ (224)	$ 6

	June 1990	Modifications	February 1991
DEBT SERVICE			
Receipts:			
Taxes	$ 85	$ 963	$ 1,048
Miscellaneous	1,749	42	1,791
Total receipts	1,334	1,005	2,839
Disbursements:			
Debt service	1,030	31	1,061
Other financing sources (uses):			
Transfers from other funds	1,879	77	1,956
Transfers to other funds	(2,747)	(1,070)	(3,817)
Net other financing sources (uses)	(868)	(993)	(1,861)
Receipts and other financing sources over (under) disbursements and other financing uses	$ (64)	$ (19)	$ (83)
CAPITAL PROJECTS			
Receipts:			
Miscellaneous	$ 1,329	$ 69	$ 1,398
Federal grants	820	(81)	739
Total receipts	2,149	(12)	2,137
Disbursements:			
Departmental operations	6	—	6
Capital projects	3,404	(236)	3,168
Total disbursements	3,410	(236)	3,174
Other financing sources (uses):			
Bond proceeds, net	1,031	(297)	734
Transfers from other funds	245	(4)	241
Transfers to other funds	(204)	16	(188)
Net other financing sources (uses)	1,072	(285)	787
Receipts and other financing sources over (under) disbursements and other financing uses	$ (189)	$ (61)	$ (250)

The modifications indicated above generally reflect revisions to projections based on actual receipts and disbursements for interim periods. The primary revisions are the result of the shortfall in General Fund tax receipts and reclassification of certain sales and use taxes from the taxes category to the transfers from other funds category. This reclassification relates to the modification made to taxes and transfers to other funds within the Debt Service Funds.

Exhibit C provides a comparison of the estimated data in the February 1991 Financial Plan with the actual results on the cash basis of accounting, whereas Exhibit B presents operating results in conformity with GAAP. The following presents a reconciliation of the budgetary cash basis operating results per Exhibit C with the

GAAP based operating results per Exhibit B (amounts in thousands):

	General	Special Revenue	Debt Service	Capital Projects
Receipts and other financing sources over (under) disbursements and other financing uses per Exhibit C	$ —	$ (136,100)	$ 2,800	$ (555,900)
Entity differences:				
Receipts and other financing sources over (under) disbursements and other financing uses for funds and accounts not included in the cash basis financial plan	(43,241)	(14,955)	(163,342)	(16,149)
Perspective differences:				
Receipts and other financing sources over (under) disbursements and other financing uses of the Earmarked Revenue Account and the Infrastructure Trust Fund Account which are treated as Special Revenue Funds in the financial plan and part of the General Fund for GAAP reporting	(185,376)	185,376	—	—
Temporary interfund cash loans	(545,457)	56,647	—	488,810
Basis of accounting differences:				
Net increase in taxes receivable	32,188	9,036	164,601	—
Net increase in due from Federal government	—	429,429	—	15,415
Net increase (decrease) in other receivables and miscellaneous assets	611,231	27,501	(25,852)	(14,989)
Net increase (decrease) in due from other funds	498,634	(224,541)	98,744	5,489
Net (increase) in deferred revenues	(645,674)	(11,327)	(9,423)	(54)
Net (increase) decrease in tax refunds payable	(19,187)	2,092	(1,128)	—
Net (increase) decrease in payable to local governments	(82,881)	(256,911)	—	11,201
Net (increase) decrease in other payables and accrued liabilities	(411,911)	65,609	(135)	(4,472)
Net (increase) in due to other funds	(113,676)	(161,045)	(390)	(331,538)
Net (increase) in tax anticipation notes payable	(130,000)	—	—	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses per Exhibit B	**$ (1,035,350)**	**$ (29,189)**	**$ 65,875**	**$ (402,187)**

The entity difference relates to the inclusion of certain funds considered to be proprietary funds for purposes of the cash basis financial plan. In addition, the inclusion of certain statutory colleges of the State University of New York, the City University of New York (CUNY) senior colleges, New York Local Government Assistance Corporation and related entities as well as certain sole custody bank accounts, which are not included in the Governmental Funds cash basis financial plan, contribute to the entity difference.

The perspective difference relates to temporary interfund loans which result when a fund temporarily overdraws its share of the pooled investment funds. These temporary loans are covered by the General Fund's share of the pool. In addition, the perspective difference relating to the Infrastructure Trust Fund Account which funded a $2.7 million net transfer to the State Purposes Account (which is part of the General Fund for both GAAP and cash basis financial plan purposes) and the Earmarked Revenue Account which is presented below on a cash basis (amounts in thousands):

RECEIPTS:	
Federal grants	$ 257
Miscellaneous	1,428,190
	1,428,447
DISBURSEMENTS:	
Grants to local governments	673,257
Departmental operations	3,538,230
General state charges	143,379
Capital projects	509
	4,355,375
OTHER FINANCING SOURCES (USES):	
Investment in notes	(61,467)
Transfers from other funds	2,973,162
Transfers to other funds	(172,821)
	2,738,874
Receipts and other financing sources under disbursements and other financing uses	**$ (188,054)**

Note 13

COMMITMENTS AND CONTINGENCIES

The State receives significant financial assistance from the Federal government in the form of grants and entitlements, including several non-cash programs (which are not included in the accompanying general purpose financial statements). Receipt of grants is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of resources for eligible purposes. Substantially all grants are subject to either the Federal Single Audit Act or to financial and compliance audits by grantor agencies of the Federal government or their designees. Disallowances by Federal program officials as a result of these audits may become liabilities of the State. The State has recorded liabilities of approximately $66 million based on an evaluation of outstanding disallowances at March 31, 1991. The State cannot estimate and has not recorded any liability for disallowances which may be determined in the future. The portion of the liability expected to be paid in the next 12 months, $36 million, is reported in the General Fund and the remainder is reported in the General Long-term Obligations Account Group. The long-term portion, $30 million, represents an increase of $6 million over the prior year.

The New York State Medical Care Facilities Finance Agency (MCFFA) has issued $450 million of Secured Hospital Revenue Bonds for the purpose of financing mortgage loans to various hospitals in New York City. The hospitals are committed to pay the debt service, and MCFFA has established reserves to cover deficiencies incurred by the hospitals. However, if both of these funding sources are inadequate, the State may be called upon to pay the debt service. Any such payments would require authorization by the State Legislature.

Generally, the State does not insure its buildings, contents or related risks and does not insure its State-owned automobiles for bodily injury and property damages, but the State does have fidelity insurance on State employees. Routine uninsured losses are recorded as expenditures in the General Fund as paid, while significant uninsured losses usually are the result of litigation which is discussed further in Note 15.

Workers' compensation coverage is provided on a self-insurance basis with the State Insurance Fund acting as the State's administrator and claims processing agent. Under an agreement with the State Insurance Fund, the State pays only what is necessary to fund claims. Based on actuarial calculations as of March 31, 1991, the State is liable for unfunded claims and incurred but not reported claims totaling approximately $612 million. The portion expected to be paid in the next 12 months, $125 million, is reported as a liability of the General Fund. The remaining amount, $487 million, is reported in the General Long-term Obligations Account Group and represents an increase of $300 million over the prior year. The increase is due primarily to the reporting of incurred but not reported claims in 1991.

In 1977-78, the State required that reserve funds held by insurance companies which underwrite the State employee health insurance programs be paid to the General Fund. The State is liable to replenish these reserve funds if needed to pay insured benefits or if the contracts with the insurance companies are terminated. Accordingly, based on actuarial calculations, the State has recorded a liability of $247 million which is reported in the General Long-term Obligations Account Group. This represents an increase of $18 million over the prior year.

During fiscal year 1987-88, the State incurred a $93 million liability to the Empire Health Insurance Plan for unreimbursed losses incurred by the carrier during 1986 and 1987. An agreement was reached to amortize this liability over a four-year period. As of March 31, 1991, the State has a remaining liability of $19 million which is reported as a liability of the Governmental Funds.

The State Abandoned Property Law requires the deposit of certain defined and unclaimed assets into a State-managed Abandoned Property Fund (Expendable Trust). The statute provides that whenever the Abandoned Property Fund exceeds $750 thousand, the excess must be remitted to the General Fund where it is reported as miscellaneous revenues. However, during the year, the Abandoned Property Fund has had cash balances which exceeded $750 thousand in order to meet anticipated cash flow demands. At March 31, 1991, the balance was $24 million. The amounts remitted during the year approximated $323 million. Net collections from inception (1942) to March 31, 1991 of approximately $2.5 billion, excluding interest, represent a contingent liability to the State since claims for refund may be filed by the owners of such property. The General Fund has never been required to fund the payment of claims and is not expected to do so in the future.

Since fiscal year 1982-83, amounts have been transferred to the General Fund and the Capital Projects Fund from the State Insurance Fund and from several nongovernmental funds. The legislation authorizing the transfers requires the Legislature to enact annual appropriations from the General Fund to cover the State's contingent liability to repay these transfers. Payments from these appropriations will be made only if the affected funds become insolvent and have no other monies available to meet their statutory obligations. To date, no payments from these appropriations have been required. The current appropriation is $1.672 billion. However, due to the increase in the State Insur-

ance Fund's accumulated deficit, exclusive of the contingent receivable from the State, it has been determined that a liability may now exist. As a result, a liability of $549 million has been reported in the General Long-term Obligations Account Group, and a related receivable is reflected in the accounts of the State Insurance Fund (see Note 17). This represents an increase of $323 million over the prior year.

The New York State Higher Education Services Corporation, a public benefit corporation, was the guarantor of approximately $9 billion of outstanding loans made to students by participating lending institutions at March 31, 1991. In the event of default, the United States Department of Education would guarantee 99% of the loans, with the remaining 1% ($90 million) guaranteed by the State.

Note 14

GUARANTEED AND MORAL OBLIGATION DEBT

The New York State Constitution provides that the State may guarantee repayment of certain borrowings of the New York State Thruway Authority, the Job Development Authority and the Port Authority of New York and New Jersey to carry out designated projects. The State has never been called upon to make any direct payments pursuant to such guarantees. Except as now authorized, no further State guaranteed debt may be incurred without voter approval. As of March 31, 1991, such State-guaranteed bonds and State-guaranteed bond anticipation notes outstanding (with an additional $276 million authorized but not issued) were as follows (amounts in thousands):

Issuer	Bonds	Notes	Total
Port Authority	$ 65,220	$ —	$ 65,220
Thruway Authority	111,750	—	111,750
Job Development Authority	308,485	50,000	358,485
Total	**$ 485,455**	**$ 50,000**	**$ 535,455**

In order to provide additional inducement to investors to purchase the obligations of certain public benefit corporations, the legislation creating these corporations authorizes the State to make up any deficiencies in their debt service reserve funds, subject to legislative appropriation (effectively, a "moral obligation" to back the corporations' credit). Since such "moral obligation" does not constitute full faith and credit obligations of the State, voter approval of such obligations was not required. However, the State has made appropriations pursuant to its "moral obligation" to make up such deficiencies under obligations issued by certain public benefit corporations, notably the Housing Finance Agency, Urban Development Corporation and Battery Park City Authority.

The State has enacted "capping legislation" which restricts the amount of moral obligation bonds each corporation (other than the Municipal Assistance Corporation) may issue. The cap is set at the amounts of bonds and notes outstanding as of April 1, 1976 plus, within specific dollar limitations, additional bonds and notes required to finance projects then in progress. As moral obligation bonds within the cap are repaid (other than by refunding), the maximum cap is reduced accordingly. Public benefit corporations with no bonds or notes outstanding when this legislation became effective are prohibited from issuing moral obligation debt. This legislation also imposed maximum limitations on lease/purchase financing for certain authorities.

As of March 31, 1991, approximately $10 billion in moral obligation bonds were outstanding as follows (amounts in thousands):

Issuer	
Battery Park City Authority	$ 173,400
Dormitory Authority of the State of New York	64,425
New York State Energy Research and Development Authority	5,100
New York State Housing Finance Agency	1,819,555
New York State Medical Care Facilities Finance Agency	201,915
New York State Project Finance Agency	191,225
United Nations Development Corporation	32,325
Urban Development Corporation	713,005
Municipal Assistance Corporation for the City of New York	6,704,748
Total	**$ 9,905,698**

Note 15

LITIGATION

The State is a defendant in numerous legal proceedings pertaining to matters incidental to the performance of routine governmental operations. Such litigation includes, but is not limited to, claims asserted against the State arising from alleged torts, alleged breaches of contracts, condemnation proceedings and other alleged violations of State and Federal laws.

Included in the State's outstanding litigation are a number of cases challenging the constitutionality or the adequacy and effectiveness of a variety of significant social welfare programs primarily involving the State's mental hygiene programs. Adverse judgments in these matters generally could result in injunctive relief coupled with prospective changes in patient care which could require substantial increased financing of the litigated programs in the future. Because of the prospective nature of these matters, no provision for this potential exposure has been made in the accompanying general purpose financial statements.

The State is also engaged in a variety of contract and tort claims wherein significant monetary damages are sought. Actions commenced by several Indian nations claim that significant amounts of land were unconstitutionally taken from the Indians in violation of various treaties and agreements during the eighteenth and nineteenth centuries. The claimants seek recovery of approximately six million acres of land as well as compensatory and punitive damages.

With respect to pending and threatened litigation, the State has reported liabilities of $396 million for awarded and anticipated unfavorable judgments. The portion of the liability expected to be paid within the next 12 months, $94 million, is reported in the General Fund. The remainder, $302 million, is reported in the General Long-term Obligations Account Group and represents an increase of $202 million over the prior year.

In addition, the State is party to other claims and litigation which its legal counsel has advised are not probable of adverse court decisions. Although the amounts of potential losses, if any, are not presently determinable, it is the State's opinion that its ultimate liability in these cases is not expected to have a material adverse effect on the State's financial position.

Note 16

STATE AND LOCAL RETIREMENT SYSTEM

There are two systems within the State and Local Retirement System for employees of the State and its localities (except employees of New York City, essentially all of whom are covered by separate City-sponsored and administered pension plans). The two systems, known and reported collectively as the New York State and Local Retirement System (System), are the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS). The State Comptroller is sole trustee and administrative head of the System. The System, which is a cost sharing multiple-employer public employee retirement system, is considered a component unit of the State and, accordingly, is included in the State's reporting entity. On March 31, 1991, there were approximately 2,700 participating government employers. Employees of the State constituted about 42% of the members of the System during the 1990-91 fiscal year.

The System provides retirement benefits as well as death and disability benefits. All benefits vest after 10 years of credited service. Retirement benefits are established by State law and are dependent upon the point in time at which the employees last joined the System. Contributory and noncontributory requirements also depend upon the point in time at which an employee last joined the System. Most members of ERS who joined the System on or before July 26, 1976 are enrolled in a noncontributory plan. Most members of PFRS are not required to make employee contributions. Employees who last joined ERS subsequent to July 26, 1976 are enrolled in a contributory plan which requires a 3% contribution of their salary. Generally, members of Tiers 1, 2 and 3 may retire at age 55 and members of Tier 4 may retire at age 62; however, members of Tiers 2 and 3 receive a reduced benefit if they retire before age 62. A nonvested public employee may obtain a refund, including interest, of the accumulated employee contributions.

Members, benefits, and employer and employee obligations to contribute are described in the New York State Retirement and Social Security Law. The number of members and benefit recipients as of March 31, 1991 were:

	ERS	PFRS	Total
Retirees and beneficiaries currently receiving benefits and no longer working members entitled to benefits but not yet receiving them	256,302	20,469	276,771
Nonvested inactive members	72,160	2,916	75,076
Current working members:			
Vested	235,229	17,785	253,014
Nonvested	259,321	13,702	273,023

Pension Benefit Obligation

The "pension benefit obligation" shown below is the actuarial present value of credited projected benefits. It is the standardized disclosure measure prepared in accordance with Governmental Accounting Standards Board Statement No. 5, namely the present value of pension benefits, adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date. The pension benefit obligation is independent of the actuarial funding method used to determine contributions to the System. The sole measure of the funding status is whether the employers have paid the actuarially determined contributions under the modified projected unit credit funding method employed by the System.

The pension benefit obligation was determined as part of an actuarial valuation as of March 31, 1991.

The Actuary employed by the System calculates credited projected benefits which include the following:

1. Future monthly payments to pensioners who are receiving benefit payments on the valuation date and to beneficiaries, including any optional survivors' benefits.
2. The portion of potential future monthly retirement benefits payable to active members attrib-

utable to their service credit as of the valuation date and salary as projected to the benefit payment date plus the accrued portion of certain death and disability benefits.

3. The potential future monthly service retirement benefits payable to inactive members based on their service credit and salary earned up to the valuation date.

The actuarial present value of credited projected benefits is the amount determined by the System's Actuary by applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest between the valuation date and the expected dates of payment) and the probability of benefit payments (by means of multiple-decrement probability tables for death, disability, retirement and withdrawal).

As of March 31, 1991, System assets in excess of pension benefit obligation were $2.4 billion as follows (amounts in millions):

	ERS	PFRS	Total
Pension benefit obligation:			
Retirees and beneficiaries currently receiving benefits, inactive members entitled to benefits not yet receiving benefits and inactive members not vested	$ 14,945	$ 3,368	$ 18,313
Current employees:			
Accumulated employee contributions including allocated investment income	1,587	9	1,596
Employer-financed vested	20,901	3,955	24,856
Employer-financed nonvested	2,647	728	3,375
Total pension benefit obligation	**40,080**	**8,060**	**48,140**
Net assets available for benefits	**42,915**	**7,624**	**50,539**
Assets in excess (unfunded portion) of pension benefit obligation	**$ 2,835**	**$ (436)**	**$ 2,399**

Significant actuarial assumptions used to compute the pension benefit obligation are the same as those used to compute the actuarially determined contribution requirements except that the pension benefit obligation used an interest rate of 8% for comparability purposes, while the actuarial cost method used for funding by the System used an interest rate of 8.75%. The pension benefit obligation as of March 31, 1990 was $44.3 billion.

It should further be noted that net retirement system assets available for benefits as reported in the financial statements includes $1.341 billion of accrued employer contributions related to periods prior to the statement date that have not been paid to the System as of March 31, 1991 but which are anticipated to be received over the next 15 years.

Funding Status

Effective April 1, 1990, the State Legislature amended the Retirement and Social Security Law by enacting Chapter 210 Laws of 1990 which mandated a change to a different actuarial funding method for the System. The System changed from the aggregate cost funding method to a modified projected unit credit funding method. This new method utilizes a rolling amortization period for differences between actuarial assets and actuarial accrued liabilities, of which approximately 17% of such differences are recognized each year in determining the funding amount. As a result of the legislated changes for the year ended March 31, 1991, ERS employer contributions were generally lower than would have been the case under the aggregate cost funding method. The anticipated future effect is that employer contributions will be, for a time, less than they would have been under the aggregate cost funding method. However, over the long-term, employer contributions are expected to be higher under the modified projected unit credit funding method than under the aggregate cost method.

Further, the legislation allows the reduction of non-State and State annual payments for prior year employer contributions being amortized over 17 years, by any yearly surplus (estimated funding credits) resulting from the rolling amortization. At March 31, 1991, the System established a reserve for funding credits of $190 million, reducing employer contributions receivable, based upon an actuarially determined estimate of 1992 employer contributions that are not expected to be received under the modified projected unit credit funding method. The prior year contributions consist of non-State employer contributions receivable for the fiscal years ended March 31, 1989 and 1988 and the State's contribution receivable for the fiscal years ended March 31, 1986 and 1985.

Significant actuarial assumptions used to determine employer contributions for the years ended March 31, 1990 and 1991 are:

Interest rate	**8.75%**
Salary scale:	
Inflation	5.00%
Productivity and merit (approximate)	2.00%
Total salary scale	**7.00%**
Multiple-decrement tables:	System's Experience 4/1/81-3/31/86
Death, disability, retirement, withdrawal	

	* Contributions Required Under Aggregate Cost Funding Method	Percentage of Payroll	* Contributions Required Under Modified Projected Unit Credit Funding	Percentage of Payroll
ERS	$ 646	4.9%	$ 43	0.3%
PFRS	141	10.3	96	7.0

* Excludes amortization payments.

Under the current funding method, the difference between the Actuarial Value of Assets and Net Assets Available for Benefits as shown in the combined financial statements is that in calculating actuarial assets, common stocks are valued using a five year smoothing method.

The chart above illustrates 1991 employer contributions required under the modified projected unit credit funding method as well as a comparison of the contributions which would have been required had the aggregate cost method been used (amounts in millions).

The net change in employer contributions receivable is based upon the net effect of annual employer billings, annual modified projected unit credit funding method amortization credits and various annual miscellaneous billing adjustments.

All contributions from local participating employers required under the modified projected unit credit funding method as shown in the above chart were received during the fiscal year ended March 31, 1991. Total employer contributions are expressed as a percentage of the covered payroll relating to required contributions. This includes contributions billed to New York State for the fiscal year ended March 31, 1991 totaling approximately $31 million, of which $2 million was received by the System during the fiscal year ended March 31, 1991. The balance of contributions outstanding is scheduled to be paid March 1, 1993.

If the aggregate cost funding method had been utilized for determining the employer contributions for the year ended March 31, 1991, both net assets available for benefits and the change in net assets available for benefits would have increased by $869 million including the effect on the receivables for prior year employer contributions. The modified projected unit credit funding method generated a surplus from the rolling amortization of the difference between the actuarial assets and actuarial accrued liabilities to reduce employer payments of prior year employer contributions due to ERS in the year ended March 31, 1991 by $221 million. For PFRS, $33 million was due and paid during the year ended March 31, 1991 for prior year employer contributions.

Participating employers are required by law to contribute annually to the System. Participating employers that have adopted the same benefit plans contribute at the same rate of payroll. This includes normal, administrative and supplemental pension contributions. In addition, employers commencing participation in the System are required to make deficiency contributions for up to 25 years.

As of March 31, 1991, the amount due from non-State employers for previous years, as participating local employers, totaled $525 million and the amount due from the State, as a participating employer, totaled $1.006 billion. Most local employers receive a substantial amount of annual aid payments from the State which may be used towards payments of the annual bill payable to the System. In accordance with Section 17 of the State Retirement and Social Security Law, the Comptroller has the authority to bring suit in the Supreme Court against any participating employer to recover any required employer payments not made.

The State's contribution to the System for the year ended March 31, 1991 was $121 million which represented 1.8% of the current covered payroll. This contribution consisted of State and employee payments of $2 million and $119 million, respectively, and represented .1% and 1.8%, respectively, of the current covered payroll. The State's $2 million payment to the System represented 1.4% of the total current-year actuarially determined contribution requirement that was billed during the fiscal year to all employers. The payroll for State employees covered by the System for the year ended March 31, 1991 was $6.750 billion; and the State's total payroll was $8.746 billion.

Net Plan Assets

The System's net assets of $50.539 billion include investments of $48.945 billion and receivables of $2.211 billion. Employer contributions receivable are for the 1987-88 and 1988-89 fiscal years except for the State's contribution receivable which relates to the unamortized balance for the 1984-85 ($613 million) and 1985-86 ($441 million) fiscal years.

Investments, except for common stocks, are reported in the statements at original cost or amortized cost net of an allowance for potential losses of $55 million. Common stocks are valued at quoted market prices. Substantially all cash is invested daily in short-term investments (cash equivalents). Such securities

are stated at cost, which approximates market value at March 31, 1991. Real property and business investments are stated at fair, or market value.

The following table shows the carrying amount and market value of investments as of March 31, 1991 by the type of investment. All investments are insured or registered, or held by New York State or its agent in the name of the State Comptroller, as trustee. If available, quoted market prices have been used to determine market value. The amounts shown below for securities that have no quoted market price represent estimated fair value. Many factors are considered in arriving at the fair value. In general, corporate debt securities have been valued based on yields currently available on comparable securities of issuers with similar credit ratings. Mortgages have been valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments (amounts in millions).

	Carrying Amount	Market Value
Short-term investments	$ 1,050	$ 1,055
Government securities	14,844	15,529
Corporate securities	4,349	4,321
Common stocks	23,751	23,751
Mortgages, net	2,613	2,580
Real property owned	1,075	1,075
Business investments	1,263	1,263
Total	**$ 48,945**	**$ 49,574**

Funds are authorized to be deposited in checking accounts or interest-bearing accounts including certificates of deposit. Bank deposits are fully insured or collateralized with securities held by New York State or its agent in the name of the State Comptroller. Collateralization is reviewed by the Office of the State Comptroller on an ongoing basis. Investments are authorized by State statute and generally include: obligations of or guaranteed by the United States; obligations of New York State, selected New York State Agencies, and New York State political subdivisions; repurchase agreements; commercial paper; mortgages; real property; equities and corporate fixed income securities. Bank deposits may be under the joint custody of the State Comptroller and the Commissioner of Taxation and Finance or under the sole custody of the State Comptroller.

The net appreciation in fair value of common stocks, real property owned and business investments was determined as follows (amounts in millions):

Fair value in excess of book value of common stocks, real property owned and business investments at March 31, 1990	$ 7,391
Fair value in excess of book value of common stocks, real property owned and business investments at March 31, 1991	9,222
Net appreciation	**$ 1,831**

During the two months subsequent to March 31, 1991, the System's common stock portfolio has experienced unrealized net appreciation in common stock on hand at May 31, 1991, of approximately $841 million, reflecting the activity of the general equity market during this period. During the same period, net gains realized on sales of common stock approximated $114 million.

The System conducts a securities lending program in accordance with the provisions of Section 177-d of the Retirement and Social Security Law. All securities are collateralized by cash or government securities at not less than 102 percent of market value of loaned securities plus accrued interest. This program is administered by the System's custodian bank. At March 31, 1991, the amortized book value of securities loaned and included with investments was $3.564 billion.

Historical trend information designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits when due is presented in the System's annual financial report.

Employer Accounting

On March 1, 1991, the State paid $2 million of the annual pension contribution relating to employee services rendered during the fiscal year ended March 31, 1991. The pension contribution expenditure of $91 million reported in the Governmental Funds consists of $31 million relating to employee services rendered during the fiscal year ended March 31, 1991. The remaining $60 million in pension contribution expenditure consisted of the cost of the early retirement incentive programs implemented during the year which totaled $56 million and $4 million of unpaid pension amortization previously reported in the General Long-term Obligations Account Group. The scheduled amortization payment relating to the 1984-85 and 1985-86 pension liabilities and related accrued interest, totaling $140 million, was not made because it was partially offset by applying funding amortization credits totaling $134 million. Funding amortization credits accrued to the State as a result of the change in actuarial funding method mandated by Chapter 210 of the Laws of 1990. The remaining $6 million of the amortization payment was not made and will be paid March 1, 1993.

The principal component of the funding amortization credit of $134 million reduced the 1985-86 liability (reported in the General Fund) by $21 million and reduced the 1984-85 liability (reported in the General Long-term Obligations Account Group) by $30 million. Pension contributions payable relating to the 1985-86 liability of $441 million and the 1984-85 liability of $613 million will be amortized annually over the next 12 years.

The State implemented two early retirement incentive programs during the year with an estimated

total cost of $132 million. Of this amount, $51 million will be paid by March 31, 1992 and is reported as pension contributions payable in the General Fund, $81 million will be amortized annually over five years and is reported as pension contributions payable in the General Long-term Obligations Account Group.

The pension contribution determined in accordance with actuarial calculated requirements was $31 million. The State therefore underpaid the pension contribution by $29 million which is reported as pension contributions payable within the General Fund. State statute requires the underpayment to be paid with the March 1, 1993 contribution.

Change in Accounting Method

As previously indicated, the actuarial funding method used by the System was changed from the aggregate cost funding method to a modified projected unit credit funding method. As a result of this change, the State's employer contribution at March 31, 1991 as determined by the modified projected unit credit funding method was $31 million which represented a $318 million reduction in pension expenditures versus the aggregate cost funding method.

Other Retirement Systems

The New York State Teachers' Retirement System (TRS) provides benefits to certain employees of the State University of New York and the State Education Department. The New York City Employees' Retirement System (NYCERS) and the Teachers' Retirement System of the City of New York (NYCTRS) provide benefits to employees of City University of New York (CUNY) senior colleges. These systems, which were established by State and/or local law to provide pension benefits for State and local employees, are administrators of cost sharing multiple-employer retirement systems.

TRS, NYCERS and NYCTRS provide retirement benefits as well as death and disability benefits. All benefits generally vest after 10 years of credited service except that up to 15 years of credited service may be required for NYCTRS. Benefit and contribution provisions, which are contingent upon the point in time at which the employee last entered qualifying service, are established by State law and may be amended only by the New York State Legislature. Retirement age varies from 55 to 70 depending upon when the employee last entered qualifying service. These retirement plans have both contributory and noncontributory requirements depending upon the point in time in which an employee last entered qualifying service. Employees last entering qualifying service on or before July 26, 1976 for TRS, NYCERS and NYCTRS are enrolled in a noncontributory plan. Employees last entering qualifying service subsequent to the date listed above for the respective retirement systems are enrolled in a contributory plan which requires a 3% contribution of their salary. Each participating employer is required by law to contribute amounts necessary to finance coverage of its own employees.

The "pension benefit obligation" shown below is the standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the retirement systems' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among retirement systems. The measure is independent of the actuarial funding method used to determine contributions to the retirement systems. In addition the funding status of each of the retirement systems is also presented in the table below.

The pension benefit obligation for TRS, NYCERS and NYCTRS was determined as part of an actuarial valuation as of June 30, 1990. The actuarial calculations at June 30, 1990 were based on a rate of return on investments of 8.0% and 8.25%, respectively, for TRS and NYCERS-TRS. TRS and NYCERS-TRS established the salary scale at 6.75% and 6.50%, respectively, with mortality, turnover, retirement and disability rates based on experience.

The table shown below displays the pension benefit obligation for the respective retirement systems as of June 30, 1990 (amounts in millions):

	Retirement Systems		
	TRS	NYCERS	NYCTRS
Pension benefit obligation:			
Retirees and beneficiaries and terminated employees	$ 8,265	$ 9,521	$ 5,638
Current employees:			
Accumulated employee contributions	463	1,349	1,400
Employer-financed vested	15,581	4,902	5,688
Employer-financed nonvested	917	3,417	2,532
Total pension benefit obligation	25,226	19,189	15,258
Net assets available for benefits	25,045	18,839	14,793
Unfunded pension benefit obligation	$ 181	$ 350	$ 465

TRS, based upon the recommendation of its actuary, retroactively increased the assumed rate of return on investments from 7.50% to 8.00% pursuant to Chapter 175 of the Laws of 1990, effective with the actuarial valuation which determines the employer contribution rate applicable to 1989-90 salaries. This change increased the pension benefit obligation as of June 30, 1990 by approximately $1.767 billion.

A level percentage of payroll employer contribution rates are determined by TRS using the aggregate actuarial funding method. TRS used the frozen initial liability method to amortize unfunded liabilities incurred as a result of significant benefit improvements over a 25 year period beginning July 1, 1970. Employer contributions are made on an annual basis.

The frozen entry age actuarial cost method of funding is utilized by the NYCERS-TRS actuary to calculate the contributions from the employer. Under this method, the excess of the actuarial present value of projected benefits over the sum of the actuarial value of assets plus the unfunded frozen actuarial accrued liability is allocated over the future earnings. Other components of the unfunded accrued liabilities are being amortized over periods ranging from 10 to 40 years. Contributions are accrued by NYCERS and NYCTRS and are funded by the employer on a current basis.

The following table presents current-year payroll, covered and total for all employees, employer and employee contributions as well as the percentage of covered payroll each contribution represents. The State's total actuarially determined contributions as a percent of contributions for all employers to TRS, NYCERS and NYCTRS were 1.8%, 1.8% and 5.6%, respectively. The State's contribution is reported as other fringe benefits in the general purpose financial statements. The contributions reported below were established in accordance with actuarially determined contribution requirements (amounts in thousands):

	Retirement Systems		
	TRS	NYCERS	NYCTRS
Current-Year Payroll:			
Covered	$ 99,532	$ 73,967	$ 117,413
Total	8,745,773	8,745,773	8,745,773
Contribution Requirement and Payments:			
Employer	8,447	14,920	24,686
Employees	787	1,842	1,977
Percentage of Current Year Covered Payroll			
Employer	8.5%	20.2%	21.0%
Employees	0.8%	2.5%	1.7%

The New York State Legislature restructured payments to TRS which deferred the State's employer contribution of $14 million which related to employee services rendered for the year ended June 30, 1989. The State's deferred employer contribution, which has been reported in the General Long-term Obligations Account Group, will be amortized in equal installments over the next 14 years.

The Teachers' Insurance and Annuity Association and the College Retirement Equities Fund (TIAA/CREF) is a privately operated defined contribution retirement plan which provides benefits to certain employees of the State University of New York (SUNY) and the City University of New York (CUNY) senior colleges. The State assumes no liability for TIAA/CREF members other than payment of contributions.

TIAA/CREF provides retirement and death benefits for or on behalf of those full-time professional employees and faculty members electing to participate in this optional retirement program. Participation eligibility as well as contributory and noncontributory requirements are established by State law. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits vest after the completion of one year of service if the employee is retained thereafter. Individually owned annuity contracts, that provide for full ownership of retirement and survivor benefits, are purchased at the time of vesting. Participants contribute 1.5% of salary on an after-tax basis if they are CUNY senior college employees and 3% of salary if they are SUNY employees. Employer contributions range from 9% to 15% depending upon the university system (CUNY or SUNY) and when the employee was hired.

The State's total payroll for the fiscal year ended March 31, 1991 was $8.746 billion. TIAA/CREF received employer and employee contributions of approximately $120 million and $17 million, respectively, which were based on participating employee salaries of $989 million. Employer and employee contributions represented 12.1% and 1.8%, respectively, of total covered payroll. The State's contribution is reported as other fringe benefits in the general purpose financial statements.

Historical trend information designed to provide information about the retirement systems' progress made in accumulating sufficient assets to pay benefits when due is presented in the annual financial reports prepared by TRS, NYCERS, NYCTRS and TIAA/CREF.

Note 17

PUBLIC BENEFIT CORPORATIONS

Public benefit corporations (corporations) (as defined in Note 1) are legally separate entities that are not operating departments of the State. The corporations are managed independently, outside the appropriated budget process, and their powers generally are vested in a governing board. Corporations are established for a variety of purposes for the benefit of the State's citizenry such as economic development, financing and public transportation. They are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

Corporations are generally supported by revenues derived from their activities, although in recent years the State has provided special financial assistance, in some cases of a recurring nature, to certain corporations for operating and other expenses and in fulfillment of its commitments on moral obligation indebtedness. Financial assistance in the form of appropriated loans, contributed capital or operating subsidies for certain corporations, principally the Urban Development Corporation, the Metropolitan Transportation Authority, and the Housing Finance Agency was provided in the fiscal year ended March 31, 1991 and such assistance is expected to be required in future years. Accordingly, the fiscal condition of the State is related to the fiscal stability of public benefit corporations.

The amounts presented in the accompanying general purpose financial statements for Public Benefit Corporations include the following entities for the fiscal years indicated:

Entity	Fiscal Year-End
Aggregate Trust Fund	December 31, 1990
Agriculture and New York State Horse Breeding Development Fund Corporation	December 31, 1990
Battery Park City Authority	October 31, 1990
Capital District Transportation Authority	March 31, 1991
Central New York Regional Transportation Authority	March 31, 1991
Dormitory Authority of the State of New York	March 31, 1991
Harlem Urban Development Corporation	March 31, 1991
Health Research, Inc.	March 31, 1991
Homeless Housing and Assistance Corporation	March 31, 1991
Housing Trust Fund Corporation	March 31, 1991
Hudson River-Black River Regulating District	June 30, 1990
Industrial Exhibit Authority	March 31, 1991
Jacob K. Javits Convention Center of New York Development Corporation	October 31, 1990
Long Island Power Authority	March 31, 1990
Metropolitan Transportation Authority	December 31, 1990
Excess Loss Trust Fund	December 31, 1990
Manhattan and Bronx Surface Transit Operating Authority	December 31, 1990
Metro-North Commuter Rail Road Company	December 31, 1990
Metropolitan Suburban Bus Authority	December 31, 1990
New York City Transit Authority	December 31, 1990
Staten Island Rapid Transit Operating Authority	December 31, 1990
The Long Island Rail Road Company	December 31, 1990
Triborough Bridge and Tunnel Authority	December 31, 1990
Natural Heritage Trust	September 30, 1990
Nelson A. Rockefeller Empire State Plaza Performing Arts Center Operating Corporation	March 31, 1991
New York City Convention Center Operating Corporation	March 31, 1991
New York State Affordable Housing Corporation	March 31, 1991
New York State Bridge Authority	December 31, 1990
New York State Energy Research and Development Authority	March 31, 1991
New York State Environmental Facilities Corporation	March 31, 1991
New York State Higher Education Services Corporation	March 31, 1991
New York State Housing Finance Agency	October 31, 1990
New York State Job Development Authority	March 31, 1991
New York State Martin Luther King, Jr. Institute for Nonviolence	March 31, 1990
New York State Medical Care Facilities Finance Agency	October 31, 1990
New York State Olympic Regional Development Authority	March 31, 1991
New York State Project Finance Agency	October 31, 1990
New York State Science and Technology Foundation	March 31, 1991
New York State Thoroughbred Breeding and Development Fund Corporation	December 31, 1990
New York State Thoroughbred Racing Capital Investment Fund	December 31, 1990
New York State Thruway Authority	December 31, 1990
New York State Wine/Grape Foundation	March 31, 1991
Niagara Frontier Transportation Authority	March 31, 1991
Ogdensburg Bridge and Port Authority	March 31, 1991
Port of Oswego Authority	March 31, 1991
Power Authority of the State of New York	December 31, 1990
Research Foundation for Mental Hygiene	March 31, 1991
Research Foundation of CUNY	June 30, 1990
Research Foundation of SUNY	June 30, 1990
Rochester-Genesee Regional Transportation Authority	March 31, 1991
Roosevelt Island Operating Corporation	March 31, 1991
State Insurance Fund	December 31, 1990
State of New York Mortgage Agency	March 31, 1991
Urban Development Corporation	March 31, 1991

Financial Information

Substantially all of the financial data was derived from audited annual financial statements and summarized into the accompanying format. Public Benefit Corporations follow the accrual basis of accounting as required for the proprietary fund type. A few of the individual component units, principally the New York State Thruway Authority and the State Insurance Fund, do not fully conform to the accrual basis as applied to the proprietary fund type; however, the impact of these

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Housing Finance Agency
ASSETS:					
Cash and investments	$ 1,808,972	$ 255,967	$ 3,228,359	$ 3,465,528	$ 786,461
Receivables, net of allowances for uncollectables:					
Loans and leases	—	—	—	7,589,791	2,698,358
Other	120,394	23,406	1,886,608	289,979	173,224
Fixed assets	3,660,436	1,078,950	10,981,880	5,875	—
Other assets	144,358	8,746	414,376	33,337	—
Total assets	**$ 5,734,160**	**$ 1,367,069**	**$ 16,511,223**	**$ 11,384,510**	**$ 3,658,043**
LIABILITIES:					
Accrued liabilities	$ 156,650	$ 95,685	$ 1,034,444	$ 489,440	$ 299,742
Pension contributions payable	—	10,983	1,566,127	1,258	—
Accounts payable	—	—	298,512	—	—
Deferred revenues	233,488	416	102,786	7,435	30,260
Notes payable	563,450	—	—	86,954	—
Bonds payable	3,075,764	236,894	6,750,784	10,487,089	2,904,098
Other long-term liabilities	247,838	—	397,872	—	163,517
Total liabilities	**4,277,190**	**343,978**	**10,150,525**	**11,072,176**	**3,397,617**
EQUITY (DEFICIT):					
Contributed capital	—	102,890	9,443,428	—	—
Retained earnings	1,456,970	920,201	(3,082,730)	312,334	260,426
Total equity (deficit)	**1,456,970**	**1,023,091**	**6,360,698**	**312,334**	**260,426**
Total liabilities and equity (deficit)	**$ 5,734,160**	**$ 1,367,069**	**$ 16,511,223**	**$ 11,384,510**	**$ 3,658,043**
OPERATING REVENUES:					
Charges for services	$ 1,239,657	$ 290,717	$ 2,859,907	$ 28,036	$ 12,278
Financing income	—	—	—	593,013	243,154
Investment earnings	—	—	—	126,795	41,834
Miscellaneous	1,402	10,289	83,004	17,581	839
Total operating revenues	**1,241,059**	**301,006**	**2,942,911**	**765,425**	**298,105**
OPERATING EXPENSES:					
Operations	938,845	277,321	4,857,605	147,595	23,521
Depreciation and amortization	158,122	—	116,858	861	30
Interest	—	—	—	643,243	255,172
Total operating expenses	**1,096,967**	**277,321**	**4,974,463**	**791,699**	**278,723**
Operating income (loss)	144,092	**23,685**	**(2,031,552)**	**(26,274)**	**19,382**
NONOPERATING REVENUES (EXPENSES):					
Non-State subsidies and grants	—	—	1,109,637	—	—
Interest revenues	110,851	21,813	41,712	—	—
Interest expenses	(228,061)	(7,471)	(141,705)	—	—
Other, net	(18,798)	(45,402)	(41,443)	233,890	(24,060)
Total nonoperating revenues (expenses)	**(136,008)**	**(31,060)**	**968,201**	**233,890**	**(24,060)**
Income (loss) before operating transfers	8,084	(7,375)	(1,063,351)	207,616	(4,678)
Operating transfers from other funds	—	—	869,903	—	—
Operating transfers to other funds	—	—	—	(3,080)	—
Net income	8,084	(7,375)	(193,448)	204,536	(4,678)
Retained earnings (deficit) at beginning of year, as restated	1,448,886	927,576	(2,889,282)	107,798	265,104
Retained earnings (deficit) at end of year	**$ 1,456,970**	**$ 920,201**	**$ (3,082,730)**	**$ 312,334**	**$ 260,426**

variances is not material to Public Benefit Corporations in total. Nine of the forty-six entities presented comprise 93% of the combined assets and 94% of the combined operating revenues (before eliminations). The remaining portion of this note contains the accounts of the nine largest entities (segment information) along with an explanation of significant and/or unusual accounting and reporting matters (amounts in thousands):

Urban Development Corporation	State Insurance Fund	SONY Mortgage Agency	Medical Care Facilities Finance Agency	Other Entities	Total	Eliminations	Total Public Benefit Corporations
$ 581,143	$ 3,177,376	$ 654,553	$ 1,776,189	$ 1,071,268	$ 16,805,816	$ (608,732)	$ 16,197,084
2,622,843	—	2,257,430	4,636,196	1,321,723	21,126,341	(7,151,350)	13,974,991
55,163	842,530	28,163	55,557	434,057	3,909,081	(1,964,289)	1,944,782
828	13,536	—	—	1,202,294	16,943,799	—	16,943,799
96,070	4,624	56,308	—	65,268	823,087	(138)	822,949
$ 3,356,047	**$ 4,038,066**	**$ 2,996,454**	**$ 6,467,942**	**$ 4,094,610**	**$ 59,608,124**	**$ (9,724,509)**	**$ 49,883,615**
$ 121,914	$ 3,744,420	$ 10,760	$ 339,302	$ 433,929	$ 6,726,286	$ (2,933)	$ 6,723,353
—	—	—	—	679	1,579,047	—	1,579,047
—	—	—	2,426	31,490	332,428	(1,090)	331,338
22,710	293,646	—	26,706	88,393	805,840	—	805,840
131,090	—	—	300	56,443	838,237	(131,090)	707,147
2,591,411	—	2,646,717	5,858,336	1,996,625	36,547,718	(9,457,756)	27,089,962
590,684	—	—	—	197,985	1,597,896	(131,640)	1,466,256
3,457,809	**4,038,066**	**2,657,477**	**6,227,070**	**2,805,544**	**48,427,452**	**(9,724,509)**	**38,702,943**
—	—	—	—	899,134	10,445,452	—	10,445,452
(101,762)	—	338,977	240,872	389,932	735,220	—	735,220
(101,762)	**—**	**338,977**	**240,872**	**1,289,066**	**11,180,672**	**—**	**11,180,672**
$ 3,356,047	**$ 4,038,066**	**$ 2,996,454**	**$ 6,467,942**	**$ 4,094,610**	**$ 59,608,124**	**$ (9,724,509)**	**$ 49,883,615**
$ —	$ 1,150,384	$ —	$ 8,452	$ 144,100	$ 5,733,531	$ —	$ 5,733,531
94,629	—	193,616	407,725	210,198	1,742,335	(437,418)	1,304,917
38,430	289,516	67,221	127,048	31,732	722,576	—	722,576
4,827	7,576	48,363	—	144,657	318,538	—	318,538
137,886	**1,447,476**	**309,200**	**543,225**	**530,687**	**8,516,980**	**(437,418)**	**8,079,562**
30,349	1,474,302	16,703	27,465	1,158,876	8,952,582	(5,000)	8,947,582
612	439	30,649	1,779	15,498	324,848	—	324,848
206,028	—	185,084	456,050	51,223	1,796,800	(301,897)	1,494,903
236,989	**1,474,741**	**232,436**	**485,294**	**1,225,597**	**11,074,230**	**(306,897)**	**10,767,333**
(99,103)	(27,265)	76,764	57,931	(694,910)	(2,557,250)	(130,521)	(2,687,771)
—	—	—	—	457,186	1,566,823	(5,000)	1,561,823
—	446	—	—	37,536	212,358	—	212,358
—	(8)	—	—	(65,580)	(442,825)	135,521	(307,304)
1,769	256,827	(14,706)	(5,988)	(147,053)	195,036	—	195,036
1,769	**257,265**	**(14,706)**	(5,988)	282,089	**1,531,392**	**130,521**	**1,661,913**
(97,334)	230,000	62,058	51,943	(412,821)	(1,025,858)	—	(1,025,858)
119,572	—	—	1,426	323,853	1,314,754	—	1,314,754
—	(230,000)	(24,800)	—	(66,814)	(324,694)	—	(324,694)
22,238	—	37,258	53,369	(155,782)	(35,798)	—	(35,798)
(124,000)	—	301,719	187,503	545,714	771,018	—	771,018
$ (101,762)	**$ —**	**$ 338,977**	**$ 240,872**	**$ 389,932**	**$ 735,220**	**$ —**	**$ 735,220**

Power Authority

The Power Authority of the State of New York (Authority) was created in 1931 to help provide a continuous adequate supply of dependable electric power and energy to the people of the State. The Authority generates, transmits, and sells electric power and energy principally at wholesale to various customers including private and municipal utilities.

The Authority's principal asset, utility plant, ($3.7 billion) is stated at original cost less accumulated depreciation and consists primarily of amounts expended to license, construct, acquire, complete and place in operation projects of the Authority. Depreciation is provided on a straight-line basis over the estimated useful lives of various classes of plant with the exception of nuclear fuel which is amortized over its estimated useful life on the unit-of-production basis. The average life for depreciable electric plant is approximately 40 years. Interest expense is net of interest capitalized of $46 million. The other long-term liability amount ($248 million) represents costs for nuclear fuel disposal and decommissioning.

On December 18, 1990 the Authority sold $323 million General Purpose Bonds, Series W for the purpose of refunding certain General Purpose Bonds Series A, B, and H. The proceeds of the sale after expenses and original issue discount together with certain other funds were deposited with an escrow agent and invested in a bank certificate of deposit and an obligation of the United States. The maturing principal and interest on these investments was used to pay on January 28, 1991 the principal, interest, and call premium on $320 million principal amount of the bonds described above. As a result, these bonds are deemed to have been paid and cease to be a liability of the Authority. Accordingly, both the refunded bonds and the deposit with the escrow agent are excluded from the balance sheet.

The Authority expects to realize gross debt service savings from the refunding of approximately $55 million over the life of the bonds. The refunding produced an economic gain of approximately $21 million and an accounting charge of approximately $10 million (included in "other net").

Several of the Authority's planned or existing projects are involved in proceedings before Federal and State courts and agencies. The effect of these matters has delayed and may impede the Authority's construction and operation of such projects or planned projects and require the Authority to incur substantial additional costs. The Authority's General Counsel believes the Authority has meritorious positions which have or will be asserted in these matters.

Under provisions of the Federal Price-Anderson Act, the Authority would be subject to certain assessments in the event that public liability from an insured nuclear incident exceeded $200 million. The Authority would be subject to a prorata assessment of up to $66 million with inflation adjustments for each of its two reactors. The yearly assessment would be no greater than $10 million per incident per reactor owned. In addition to the liability insurance required by the Price-Anderson Act, the Nuclear Regulatory Commission (NRC) requires the Authority to carry decontamination liability and excess property damage insurance of $1.06 billion for each reactor site. The Authority has such coverage in force. Under the coverage obtained, in certain circumstances the Authority could be subject to a maximum retrospective premium assessment of $13 million as of December 31, 1990.

In 1988, the NRC issued new decommissioning rules requiring reactor operators to certify that sufficient funds will be available for decommissioning ($135 million and $165 million in 1990 dollars for the Indian Point 3 and J.A. FitzPatrick plants, respectively). The Authority established a decommissioning trust fund for its nuclear plants on July 26, 1990 and an initial transfer of approximately $125 million was made for this purpose from the general reserve account to such fund.

The Authority has signed a memorandum of understanding (MOU) with the Long Island Lighting Co. (LILCO) to construct up to three baseload thermal generating facilities totaling up to 900 mw with the output to be sold to LILCO, as well as providing the necessary transmission facilities to assure delivery of Authority power to LILCO. Also, on May 15, 1990 the Authority submitted a bid to supply electric generation capacity to LILCO over a twenty-year period beginning in 1994. The Authority's bid contemplates the construction of a 150 mw combined-cycle natural-gas and distillate-fueled generation plant at a direct construction cost which is estimated not to exceed $140 million in 1990 dollars. The bid is structured to recover from LILCO over the life of the proposed twenty-year supply contract the Authority's full estimated costs of financing, constructing, fueling and operating the plant, but such full cost recovery cannot necessarily be assured. Should any Authority construction effort materialize, either under the bid procedures or the MOU, the issuance of additional Authority debt would be required which could be substantial.

The approximate direct construction cost for each of the MOU thermal baseload facilities, as presently estimated in 1990 dollars, is $220 million. To the extent new generating capacity is built for LILCO under the bidding procedure, the need for and likelihood of construction by the Authority of new generating facilities under the MOU correspondingly decreases.

In September 1990, Long Island Power Authority released a draft study relating to the possible conversion of the Shoreham nuclear facility to a gas-fueled combined-cycle plant which indicated that such a conversion could be technologically and economically feasible. If any such conversion were to occur, the output of the plant would compete with Authority generated

and purchased power for sale to LILCO and possibly to other wholesale customers.

On April 10, 1991, the Authority sold for delivery on April 18, 1991, $314 million principal amount of General Purpose Bonds, Series Y, with an average coupon rate of 6.4%.

Thruway Authority

The New York State Thruway Authority (Authority) was created as a public benefit corporation by the Legislature in 1950 with powers to construct, operate and maintain a Thruway system. The Authority has also been authorized by the Legislature to act as a financing agent for issuing Emergency Highway Reconditioning and Preservation Bonds and Notes, and Emergency Highway Construction and Reconstruction Bonds and Notes to finance improvements to State highways.

The primary asset, fixed assets, represents the Thruway project, ($1.1 billion) and consists primarily of highways, bridges, buildings and equipment.

The Authority has committed to a capital program which will provide for the substantial replacement and restoration of the Thruway road and bridge facilities by 1996. Through December 31, 1990, the Authority expended and/or was contractually obligated to expend a total of approximately $422 million in connection with this capital program.

The Authority has been named as a defendant in a number of legal actions resulting from various causes. Certain types of liability insurance coverages are carried by the Authority, and the Authority is self-insured for certain other types of liabilities. The financial statements of the Authority reflect a funded self-insurance reserve of $8 million as of December 31, 1990. The ultimate amounts which may be required to be paid to settle such litigation, in excess of the funded reserve, if any, are not expected to have a material effect on the financial condition of the Authority.

During May 1990, the State Legislature statutorily defined the Hudson section of the Thruway system to include Interstate 287 (the Cross-Westchester Expressway). In connection with this legislation, the Authority was authorized to purchase Interstate 287 from the State. In March 1991, the Authority paid $20 million to the State's general fund for the purchase. Subsequent to the issuance of the Authority's financial report for the year ended December 31, 1990, the Authority issued $31 million in special obligation bonds to fund the purchase.

Metropolitan Transportation Authority

The Metropolitan Transportation Authority (Authority) was created to continue, develop and improve public transportation and to develop and implement a unified public transportation policy in the New York Metropolitan area. The accounts presented as the Metropolitan Transportation Authority are the combined accounts of the following related entities:

- Metropolitan Transportation Authority (MTA)
- New York City Transit Authority (NYCTA)
- Manhattan and Bronx Surface Transit Operating Authority (MABSTOA)
- Staten Island Rapid Transit Operating Authority (SIRTOA)
- Metropolitan Suburban Bus Authority (MSBA)
- The Long Island Rail Road Company (LIRR)
- Triborough Bridge and Tunnel Authority (TBTA)
- Metro—North Commuter Rail Road Company (M-NCRC)
- Excess Loss Trust Fund (ELTF)

Significant inter-entity transactions and balances were eliminated in combination. The primary asset, fixed assets, ($11 billion) is reported net of $2.1 billion accumulated depreciation which is provided on a straight-line basis over the estimated useful lives of the fixed assets which range from three to one hundred years. Certain equipment and other capital used by NYCTA, MABSTOA, MSBA, and SIRTOA, primarily rolling stock, are funded and owned by City, State and Federal governments and accordingly, are not recorded by the Authorities. Capital expenditures during the year were made in accordance with initial and five-year capital programs implemented by MTA in 1982 and 1987, respectively. The total program approximates $16.3 billion and will be financed by Federal grants, long-term State service contracts, bonds to be issued by TBTA, proceeds from the sale of tax benefits and MTA bonds secured by system revenues and other sources. Approximately $13.5 billion has been committed under these programs as of December 31, 1990.

Other long-term liabilities ($398 million) consists of estimated liability for personal injury ($362 million) and deferred compensation and pension costs ($36 million). Other receivables ($1.9 billion) consists primarily of subsidies receivable from the State and other sources.

Interest expense on MTA service contract bonds with a principal amount of $1.8 billion was paid through charges to the State and therefore interest expense on these bonds is not recorded. Interest expense ($142 million) is net of interest capitalized of $218 million.

Employees are members of New York City Employees' Retirement System or union-sponsored plans and pension expense for the year was $517 million. MTA and its related entities are involved in various lawsuits. Such litigation is not expected to have a significant adverse effect on their financial condition. During 1987, the Authority established ELTF to protect

against catastrophic losses. No claims were incurred under this plan during 1990, which at December 31, 1990 had net assets, at market value, available to meet claims of $49 million.

The transfer of $870 million represents State grants for operating and other purposes.

In 1990, MTA refunded $56 million principal amount of Transit Facilities Revenue Bonds, Series E with the issuance of $67 million principal amount of Transit Facilities Revenue Bonds, Series I. The economic benefit (the net present value of the reduction in future annual debt service costs) amounted to $3 million.

In 1990, TBTA defeased a portion of the Series H ($133 million) and Series K ($75 million), with the issuance of its Series Q bonds. A noncash charge of $18 million was charged to operations in 1990 resulting from these defeasances. The loss on refinancing represents the excess of the investments placed in trust over the recorded amount of the bonds and related deferred issuance costs for the bonds that were legally defeased. The transaction gives rise to a future gross economic benefit of $27 million, or a net present value economic benefit of $13 million, because of the lower interest rate on the bonds issued to fund the refinancing. Accordingly, the loss on refinancing is not a cash or economic loss over the life of the bonds. It results from the structuring of the refinancing in which a higher principal amount of bonds at a lower interest rate were issued and legally defeased a lesser principal amount of bonds at a higher interest rate.

During 1990, TBTA issued $89 million of Mortgage Recording Tax Special Obligation Bonds, Series 1990 to refinance a portion of Series 1989A. During 1989, the Authority issued $306 million of Mortgage Recording Tax Special Obligation Bonds, Series 1989A to fund the Transportation Project. The Series 1990 bonds defeased $94 million of the Series 1989A bonds, resulting in a gain of $7 million. The gain represents the excess of the recorded amount and related deferred issuance costs for the bonds that were legally defeased over the investments placed in trust. The transaction gives rise to a future gross economic benefit of $6 million or a net present value economic benefit of $5 million.

The NYCTA issued $125 million in Revenue Anticipation Notes on May 2, 1991, which are due December 19, 1991.

Dormitory Authority

The Dormitory Authority (Authority) was established in 1944 for the purpose of financing, designing, constructing, purchasing, reconstructing and/or rehabilitating buildings, ("projects") for use by educational and other not-for-profit institutions located within the State. It is also authorized to finance the purchase of equipment and various short-term capital projects.

The primary asset, loans and leases receivable ($7.6 billion), consists of amounts receivable in accordance with lease and loan agreements relating to the construction of projects. No provision has been made for potential losses on loan and lease receivables because of collateral and reserve funds held.

Fixed assets, net ($6 million) consist of land, buildings and equipment. Buildings and equipment are depreciated by the straight-line method.

Certain bond and note issues have letters of credit, or cash and investment securities pledged to secure payments of the related debt in amounts not less than the principal balance of debt outstanding. At year-end, cash or investments pledged with a market value of $624 million secure debt outstanding with a principal balance of $570 million. In addition, the principal balance outstanding of certain other bond issues is fully secured through municipal bond insurance. At March 31, 1991, the principal balance outstanding on these bonds totalled $1.5 billion. Several bond and note issues have cash and investment securities or bond insurance pledged to secure certain reserve fund requirements. At March 31, 1991, the market value of cash and securities, and bond insurance pledged amounted to $104 million and $16 million, respectively. Approximately $555 million of bonds were guaranteed by various agencies of the Federal government.

The Authority has issued revenue bonds on behalf of eleven independent institutions and the City University for the purpose of defeasing existing revenue bonds payable and to provide funds for additional construction. Under the terms of these bond resolutions, investments have been placed with a trustee to provide sufficient amounts to be used solely for the payment of scheduled debt service requirements on the bonds. The revenue bonds totaling $1.5 billion are considered defeased under existing accounting standards; accordingly, such bonds and the related investments placed in trust are not included in the accompanying financial statements.

During the year ended March 31, 1991, the Authority issued $1.1 billion in bonds payable (new bonds) with an average interest rate of 7.06% to advance refund $866 million of outstanding bonds (advance refunded bonds) with an average interest rate of 7.96%. Of the total proceeds, $890 million from the sale of the new bonds plus an additional $4 million of the advance refunded bond fund monies were used to purchase United States Government securities. Those securities were deposited in irrevocable trusts with escrow agents to provide for all future debt service payments on the advance refunded bonds. As a result, the advance refunded bonds are considered to be defeased, and the liability for those bonds has been removed from the accompanying financial statements. In addition, $11 million was used for new construction

and the remaining proceeds were used to fund reserve requirements and for insurance costs.

The advance refunding resulted in the recognition of no accounting gain or loss for the year ended March 31, 1991. The advance refundings involved the issuance of fixed rate bonds to refund previously issued fixed rate bonds. These advance refundings resulted in an increase of approximately $242 million in aggregate debt service payments over the next twenty-five years and a net present value economic gain of $3 million. In connection with the advance refundings, $87 million of reserve funds related to the advance refunded bonds were made available for the institution's use in accordance with the related resolutions.

At March 31, 1991, the Authority has refunding revenue bonds outstanding totaling $280 million issued for the purpose of refunding other revenue bonds at a future date subject to the existence of certain conditions specified in the related bond resolutions. If these conditions are not met, the refunding bonds will defease themselves. Accordingly, no accounting gain or loss has been reflected in the accompanying financial statements relating to the ultimate disposition of these refunding revenue bonds.

During the year the Authority made a single advance payment of $30 million to the State in consideration of a lease agreement for certain property. The initial lease term ends on March 31, 1996 and may be renewed for a maximum of five successive terms of five years each. The Authority will collect the gross rents for its portion of the property it, in turn, leases to the tenants occupying the space not reserved for State agency use.

The Authority is a defendant in a number of pending legal actions. There are also a number of threatened actions involving the Authority. It is management's opinion that those pending or threatened matters that could be material to the financial statements are covered by insurance or bonds filed with the Authority should a liability arise, or the Authority has the legal power and ability to seek funds to meet any such matters.

Housing Finance Agency

The New York State Housing Finance Agency (Agency) was created to finance low and middle income housing through the sale of tax-exempt securities. The original mandate of the Agency has been expanded through legislation to include financing of nonprofit hospitals, nursing homes, municipal health facilities, and community related projects such as day care and senior citizens centers and facilities for the mentally ill and mentally retarded.

The primary asset, loans and leases receivables, is comprised of mortgage and other loans ($2.4 billion), and leases receivables ($300 million) which arise from projects leased under long-term noncancellable contracts and are accounted for as financing transactions. Leases receivables are with the State for Health Facilities Programs (see Note 10). The provision for possible uncollectible mortgage loans was $6 million at year-end.

Other long-term liabilities consist of amounts due to the State which represent the accumulated amount of unpaid monies appropriated by the State Legislature to the Agency. State repayment obligations are payable when the related mortgage loans are collected. Approximately $4 million of these obligations were repaid during the year.

The auditor's report contains an explanatory paragraph as to the collectibility of mortgage loan and other receivables in the amount of $488 million relating to the Co-op City project which are in arrears and subject to a settlement agreement. The collectibility of such receivables is dependent upon the mortgagor's ability to generate future revenues sufficient to cover operating costs, including debt service, obtain additional financing, restructure its debt, and resolve litigation concerning certain terms of the settlement agreement.

During fiscal year 1990, the Agency defeased $1 billion in State University Construction Bonds, $367 million in Health Facilities Bonds, and $228 million in Special Obligation Bonds. The defeasances were accomplished by placing in an irrevocable trusteed escrow account amounts invested in cash and United States Treasury obligations that will provide amounts sufficient for the future payment of all interest, principal, and call premiums on the defeased bonds. Since there was a corresponding decrease in the related lease receivables, there was no material accounting or economic gain or loss to the Agency on the State University Construction Bonds. The Health Facilities defeasance was accomplished by the issuance of new debt and accordingly had a cash flow loss of $89 million, present value loss of $6 million and an accounting loss of $9 million. The principal amount outstanding of all obligations defeased by the Authority, including both legal and in-substance defeasances was $3.1 billion on October 31, 1990.

The Agency is involved in various legal actions and claims from Federal funding agencies, the outcome of which, in its opinion, will not result in any material adverse financial effect on its programs.

Subsequent to the end of its fiscal year, the Agency sold $192 million Service Contract Obligation Revenue Bonds.

Urban Development Corporation

The New York State Urban Development Corporation (UDC) was established by legislative act in 1968 as a corporate governmental agency of the State. UDC's efforts are currently directed to several activities including civic, commercial, high technology and industrial

development within the State, including the development of essential public projects; in addition, UDC provides municipalities and the State with its development expertise and its ability to facilitate real estate tax abatement and tax-exempt financing.

The primary asset, loans and leases receivables ($2.6 billion), is comprised principally of residential mortgage loans receivable ($792 million, of which $701 million are subsidized mortgages), nonresidential projects ($124 million), and economic development and public projects receivable ($1.7 billion). Residential mortgage loans are collateralized by a first lien on the project and are payable by the housing company borrower in equal installments of principal and interest over periods ranging from 22 to 35 years. At March 31, 1991, approximately $447 million of subsidized residential mortgage loans have been pledged as collateral for approximately $194 million of revenue bonds and other long-term liabilities.

A substantial number of subsidized and nonsubsidized housing company mortgagees have been unable to fully satisfy this debt service obligation. This debt service requirement is therefore being fulfilled by the United States Department of Housing and Urban Development (HUD) for the subsidized mortgage loans. Nonsubsidized residential mortgage loans are amortized as received based on an effective yield method with the receivable carried at the lower of cost or net realizable value.

Mortgage advances for certain purposes with respect to certain projects exceed the limits normally imposed by HUD for such purposes and, unless approved by it, could under certain circumstances entitle it to reduce the aggregate annual payments and require payments to HUD of its payments received with respect to such advances. Further, under agreements with HUD, if the combined average cost of borrowing of UDC and Project Finance Agency is reduced below a permitted level, subsidies could be reduced.

Other long-term liabilities ($591 million) primarily represent the accumulated amount of monies appropriated by the State Legislature that have been received and not repaid. UDC reports $355 million of the above other long-term liabilities as appropriations repayable under prescribed conditions (an equity account) on its financial statements. UDC is, and will remain, dependent upon the State for appropriations to meet its financing requirements.

The transfer from other funds of $120 million is comprised of State appropriations for interest on special project revenue bonds and administrative and general expenses.

In connection with its mortgage loan enforcement efforts, foreclosure proceedings have commenced on several projects. These proceedings have resulted in counterclaims for damages. UDC has also been named defendant in other legal actions. UDC believes such litigation will not have a material adverse effect on its financial condition.

At March 31, 1991, $303 million of the bonds outstanding are considered defeased.

State Insurance Fund

The State Insurance Fund (Fund) is comprised of the Workers' Compensation Fund and the Disability Benefits Fund and is primarily engaged in providing workers' compensation and disability benefit insurance for employers in the State of New York.

The primary asset, investments ($3.1 billion), consists primarily of United States Government, United States Government agency and New York State obligations. The primary liability, accrued liabilities ($3.8 billion), consists mainly of losses and loss adjustment expenses based on individual case estimates and formula reserves ($3.3 billion).

Substantially all property owned by the Fund is used for its own operations. Buildings are depreciated over estimated useful lives (25 to 40 years) using the straight-line method.

Pursuant to various State laws, the Fund had transferred approximately $1.3 billion to the State's General and Capital Projects Funds as of December 31, 1990. The statutes under which these transfers were made require that the State appropriate amounts annually for the potential repayment of the transfers. Such repayment is required only to maintain the solvency, as defined, of the Workers' Compensation Fund.

These transactions have been recorded as operating transfers by the State. However, if the entire receivable and related equity had been eliminated from the State Insurance Fund's financial statements, a deficit of approximately $549 million would have resulted. Since the State governmental funds are responsible for the Funds solvency, the receivable and equity have been eliminated only to the extent that Fund equity is reduced to zero and a liability of $549 million has been recorded in the State's General Long-term Obligations Account Group (see Note 13).

"Other, net" consists of the operating statement effect of the elimination described above ($323 million) partly offset by an increase in nonadmitted assets ($66 million).

On December 12, 1990 the Fund advanced $30 million to the New York State Urban Development Corporation (UDC). The advance is repayable over a term of 30 years with interest at 10% per year.

On December 13, 1990 the Fund purchased for $45 million UDC's beneficial interest in securities and monies held in certain debt service reserve funds which secure certain project bonds issued by UDC. The purchase entitles the Fund to receive periodic payments from UDC based on the earnings of the respective debt service reserves and reserve fund releases. The Funds right to receive the payments is fully secured by an

irrevocable letter of credit posted by the State. The receivable has no scheduled repayment date or stated interest rate.

On March 19, 1991, the Fund purchased additional interests in reserve funds securing other project bonds issued by UDC for $12 million.

State of New York Mortgage Agency

The State of New York Mortgage Agency (Agency) makes mortgages available to first-time homebuyers through its Forward Commitment Home Ownership Programs and provides mortgage insurance for qualifying real property loans through its Mortgage Insurance Program. To accomplish this purpose, the Agency issues tax-exempt mortgage revenue bonds and uses the proceeds to purchase existing residential mortgage loans from New York State banks or to originate new mortgage loans through participating banks.

Loans and leases receivables ($2.3 billion) consists primarily of mortgage loans financed by long-term indebtedness. Mortgage loans on real estate are stated at their unpaid principal balance, less unearned discount and unamortized commitment fees where appropriate. Unearned discount is amortized to earnings based upon the level yield method and the average life of the mortgages.

The Agency redeemed certain revenue bonds at par using proceeds of prepaid mortgage loans, accumulated earnings and proceeds received from remarketed bonds. These transactions resulted in a loss of $14.7 million which is reported as "other, net."

The Agency refunded $176 million of Home Mortgage revenue bonds using the proceeds of an issue of $112 million in Homeowner Mortgage revenue bonds and $78 million in proceeds from sale of bondholder reserves of defeased Home Mortgage revenue bonds. As a result, the Home Mortgage revenue bonds are considered to be defeased, and the liability for each item has been removed from the Agency's balance sheet. The refundings resulted in an accounting loss of $13 million, a reduction in aggregate debt service payments of $103 million and an economic gain of $77 million.

Medical Care Facilities Finance Agency

The New York State Medical Care Facilities Finance Agency (Agency) is authorized to issue bonds and notes in a principal amount not exceeding $6 billion for the purpose of (1) making mortgage and equipment loans to nonprofit hospitals, nursing home companies, medical corporations and other agencies, and (2) making loans to qualified health maintenance organizations. The Agency is also authorized to issue bonds for loans to hospitals designated as financially distressed, to finance construction of mental health facilities (other than bonds and notes to refund the outstanding New York State Housing Finance Agency Mental Hygiene Improvement Bonds), and to finance construction of municipal health facilities in amounts not to exceed $1 billion, $2.2 billion and $1 billion, respectively.

The primary asset, loans and leases receivables, is comprised of mortgage loans ($3.7 billion) financed by long-term indebtedness, and lease receivables ($908 million). Of the accrued liabilities of $339 million, $160 million represents debt service reserves and funds received from mortgagors and lessors. The operating transfer from other funds of $1 million is made from the State's governmental funds primarily to support the Insured Mortgage Program.

During fiscal year 1990, the Agency defeased bonds totaling $115 million. The defeasances were accomplished by placing in irrevocable escrow accounts amounts invested in cash and United States Treasury obligations that will generate funds sufficient for the future payment of all interest, principal, and premium, if applicable, on the defeased bonds. The net cash flow savings and present value savings on the defeasances were $10 million and $5 million, respectively. The accounting loss on the defeasances was $6 million. The principal amounts remaining on all defeased bonds at October 31, 1990, was $1.5 billion.

As of October 31, 1990, the Agency has outstanding commitments to provide permanent mortgage loans totaling $553 million. During the period from November 1, 1990 to April 5, 1991, the Agency sold bonds totaling $734 million for various purposes.

Eliminations

Eliminations are made primarily to avoid duplicate reporting. As explained in Note 10, the State services a significant portion of the bonds and notes payable of certain public benefit corporations. Since this liability is reported by the State, an equivalent amount ($9.46 billion) of bonds payable and related assets is eliminated as is the applicable financing income and interest expense of $437 million. The amount of bonds payable eliminated differs from the amount in Note 10 ($10.26 billion) primarily due to transactions occurring between the corporations' reported fiscal year-ends and the State's March 31, 1991 year-end. Another elimination ($186 million) is to delete a receivable and payable between the Urban Development Corporation and the Project Finance Agency.

Other Information

Public benefit corporations invest primarily in United States Government and United States Government agency securities, securities of or guaranteed by New York State, and repurchase agreements. Most public benefit corporations are required to follow Investment Guidelines for Public Authorities issued by the Office of the State Comptroller. In addition, section

2925(3)(b) of the Public Authorities Law requires an annual independent audit of investments for most authorities. The report on this audit, a copy of which must be filed with the Office of the State Comptroller, must include a description of any noncompliance with the authority's own investment policies, applicable laws or regulations, and the State Comptroller's Investment Guidelines.

The following table presents the investments (before eliminations) of the nine largest public benefit corporations by type and categorizes the carrying amounts as follows: Category 1 are those which are insured or registered, or held by the public benefit corporation or its agent in the corporation's name; Category 2 are those which are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the corporation's name; and Category 3 are those which are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the corporation's name (amounts in thousands):

	Category			Carrying Amount	Market Value
	1	2	3		
Government Securities	$ 9,948,506	$ 2,899,463	$ 16,647	$ 12,864,616	$ 13,021,208
Repurchase Agreements	1,282,553	—	—	1,282,553	1,283,623
Corporate Bonds	155,998	—	—	155,998	157,227
Other	161,276	580,133	172,508	913,917	915,275
Total	**$ 11,548,333**	**$ 3,479,596**	**$ 189,155**	**$ 15,217,084**	**$ 15,377,333**

The nine largest public benefit corporations hold deposits at financial institutions with a carrying value of approximately $517 million and bank balance of $515 million (before eliminations). The bank balance consists of: $56 million which is insured or collateralized with securities held by the corporation or its agent in the corporation's name; $316 million which is collateralized with securities held by the pledging financial institution's trust department or agent in the corporation's name; and $143 million which is uncollateralizd.

Changes in fixed assets were as follows (amounts in thousands):

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Power Authority	$ 4,844,931	$ 324,047	$ 40,249	**$ 5,128,729**
Thruway Authority	1,075,447	3,503	—	**1,078,950**
Metropolitan Transportation Authority	11,410,833	2,204,667	544,195	**13,071,305**
Dormitory Authority	8,230	437	—	**8,667**
Urban Development Corporation	6,346	22	—	**6,368**
State Insurance Fund	15,787	5,585	—	**21,372**
Other	1,487,547	54,941	7,233	**1,535,255**
	18,849,121	$ 2,593,202	$ 591,677	**20,850,646**
Less Accumulated Depreciation	3,396,571			**3,906,847**
Total	$ 15,452,550			**$ 16,943,799**

Fixed assets are generally recorded at cost and are depreciated over their estimated useful lives and are as follows (amounts in thousands):

	Cost	Lives
Land	$ 396,103	
Land Improvements	6,679,566	5-100
Buildings	8,029,009	6-50
Equipment	5,745,968	3-45
Total	**$ 20,850,646**	

Certain public benefit corporations issue their own serial and revenue bonds. These bonds, which have interest rates ranging from 0.10% to 25.0%, are not legal obligations of the State (see Notes 10 and 14). Changes in bonds outstanding (before eliminations) were as follows (amounts in thousands):

Issuer	Outstanding Beginning of Year	Issued	Redeemed	Outstanding End of Year
Power Authority	$ 3,134,998	$ 353,415	$ 412,649	$ 3,075,764
Thruway Authority	272,505	—	35,611	236,894
Metropolitan Transportation Authority	5,835,792	1,359,801	444,809	6,750,784
Dormitory Authority	8,840,350	2,828,478	1,181,739	10,487,089
Housing Finance Agency	3,982,324	613,090	1,691,316	2,904,098
Urban Development Corporation	2,091,200	544,219	44,008	2,591,411
State of New York Mortgage Agency	2,566,186	372,685	292,154	2,646,717
Medical Care Facilities Finance Agency	5,162,881	876,610	181,155	5,858,336
Other	1,135,169	907,789	46,333	1,996,625
Total	$ 33,021,405	$ 7,856,087	$ 4,329,774	$ 36,547,718

Debt service requirements to maturity are as follows (amounts in thousands):

First year	$ 1,026,679
Second year	888,376
Third year	997,341
Fourth year	1,004,978
Fifth year	1,069,276
Thereafter	31,561,068
Total	$ 36,547,718

Notes were issued by certain public benefit corporations to provide temporary or interim financing for special projects. The notes will be repaid from the proceeds of revenue bonds to be issued, from the renewal of the notes or from monies received from municipalities, Federal or State aid or other sources relative to the purpose of the issuance. Interest rates for notes with a principal balance of $775 million ranged from 4.1% to 10.5%. Interest rates for the remaining debt is variable. Changes in notes (before eliminations) were as follows (amounts in thousands):

Issuer	Outstanding Beginning of Year	Issued	Redeemed	Outstanding End of Year
Power Authority	$ 561,250	$ 2,200	$ —	$ 563,450
Dormitory Authority	82,616	29,280	24,942	86,954
Urban Development Corporation	132,387	—	1,297	131,090
Medical Care Facilities Finance Agency	300	—	—	300
Other	61,345	1,920	6,822	56,443
Total	$ 837,898	$ 33,400	$ 33,061	$ 838,237

Public benefit corporations are also committed under numerous operating leases covering right of way and real property for which there is no evidence of purchase options or other traits of ownership passed to the public benefit corporations (capitalized leases are not significant). Rental expense for the year was $31 million. Future minimum lease payments under non-cancellable leases exceeding one year are as follows (amounts in thousands):

First year	$ 19,295
Second year	17,872
Third year	15,359
Fourth year	14,557
Fifth year	10,477
Thereafter	29,047
Total	$ 106,607

Changes in contributed capital were as follows (amounts in thousands):

Source	Thruway Authority	Metropolitan Transportation Authority	Other Entities	Total
Contributed capital beginning of year	$ 102,890	$ 8,267,297	$ 744,477	$ 9,114,664
Restatement	—	—	5,838	5,838
Contributed capital beginning of year, as restated	102,890	8,267,297	750,315	9,120,502
Additions:				
Federal Grants	—	581,262	139,065	720,327
State and Local Grants	—	704,191	39,603	743,794
Other, including depreciation	—	(109,322)	(29,849)	(139,171)
Contributed capital end of year	**$ 102,890**	**$ 9,443,428**	**$ 899,134**	**$ 10,445,452**

Note 18

JOINT VENTURES

Joint Ventures are independently constituted entities generally created by two or more governments for a specific purpose, such as constructing and maintaining an interstate or international bridge. Pursuant to current financial reporting standards, the State does not record its equity in joint ventures. The only material joint venture in which the State participates is the Port Authority of New York and New Jersey.

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey created by compact between the two states in 1921 with the consent of the Congress of the United States. It is authorized and directed to plan, develop and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation, economic development, and world trade that contribute to promoting and protecting the commerce and economy of the Port District, defined in the compact, which comprises an area of about 1,500 square miles in both states, centering about New York Harbor.

The governor of each state appoints six of the twelve members of the governing Board of Commissioners, subject to confirmation by the respective state senate. Each governor has from time to time exercised the statutory power to veto the actions of the commissioners from his state.

The commissioners serve six-year overlapping terms as public officials without compensation. They establish Port Authority policy, appoint an Executive Director to implement it, and also appoint a General Counsel to act as legal advisor to the Board and to the Executive Director.

The compact envisions the Port Authority as being financially self-sustaining and, as such, it must obtain the funds necessary for the construction or acquisition of facilities upon the basis of its own credit, its reserve funds and its future revenues. The Port Authority has neither the power to pledge the credit of either state or any municipality nor to levy taxes or assessments.

The Port Authority's annual budget is a financial planning tool outlining the estimated expenditures for programs already authorized or to be considered by the Board of Commissioners. Approval of the budget by the Board of Commissioners, based on a financial plan developed as part of the Port Authority business planning process, does not in itself authorize any specific expenditures or projects. Each capital project must be separately considered and approved by the commissioners. Upon approval, the financial plan becomes a means of achieving systematic control of program expenditures to ensure that they are made in accordance with the policies and financial decisions of the Board, and the requirements of the by-laws of the Port Authority.

Pursuant to an agreement between the Port Authority and the States, the Fund for Regional Development (Fund) was established in 1983 to sublease certain space, as vacated, held by the State of New York as tenant. The Port Authority and the States entered into an agreement on January 1, 1990 providing for the termination of the agreement creating the Fund. The Fund's assets were consolidated with those of the Port Authority under the purchase method of accounting. In consideration of the termination of the Fund, the Authority has agreed to make a series of payments to the States over a period of 30 years (see Note 4).

Consolidated financial statements of the Port Authority for the fiscal year ended December 31, 1990 disclosed the following (amounts in thousands):

Financial Position

Total assets	$ 7,760,191
Total liabilities	(5,329,066)
Net assets	**$ 2,431,125**

Operating Results

Operating revenues	$ 1,890,730
Operating expenses	(1,282,298)
Depreciation and amortization	(228,229)
Income from operations	180,203
Financial income (expense), net	(140,718)
Loss on sale of assets	(8,953)
Income before extraordinary item	30,532
Extraordinary item:	
Gain on purchase of Port Authority bonds in connection with future sinking fund requirements	200
Net income	**$ 30,732**

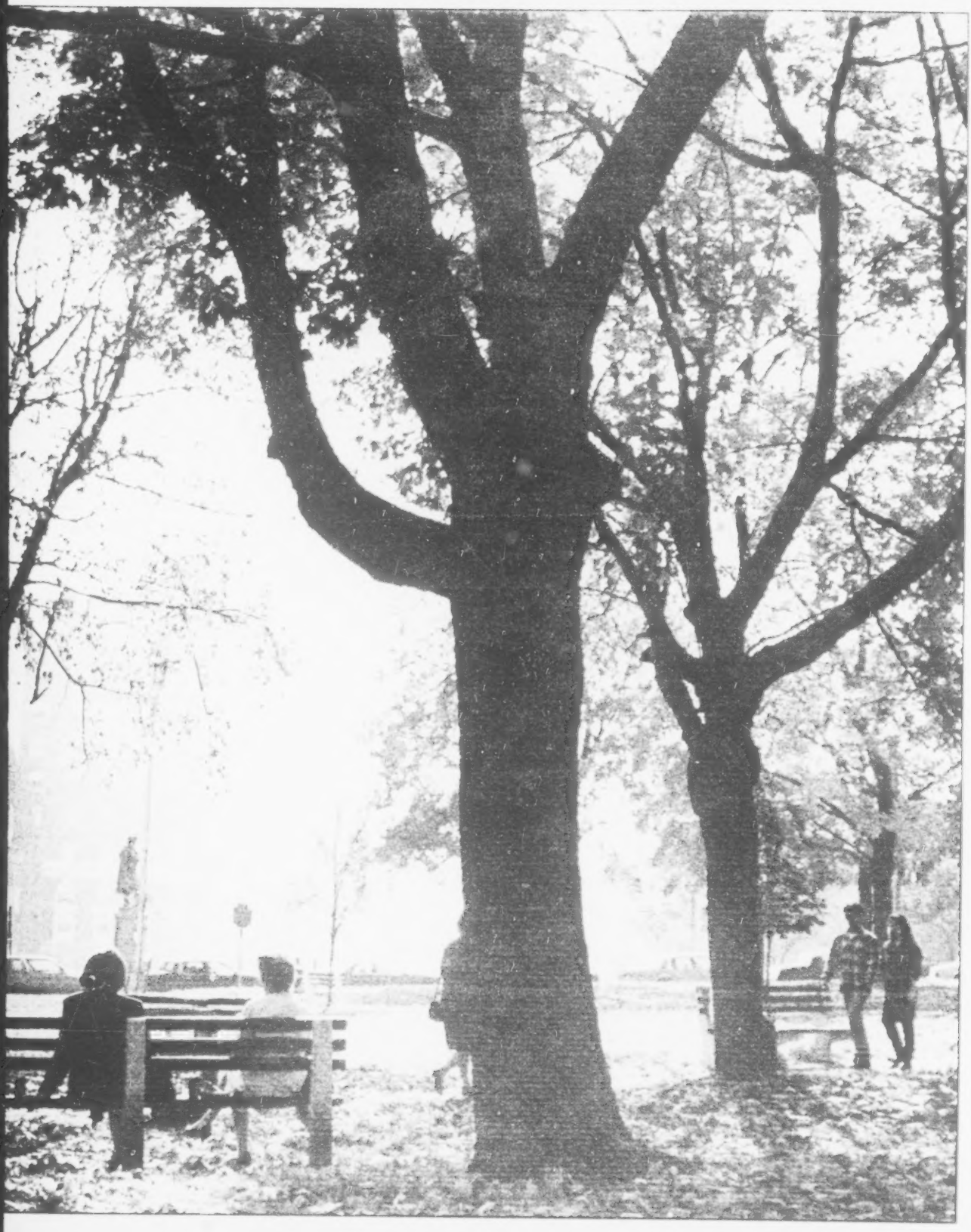
Changes in Net Assets

Balance, January 1, 1990	$ 2,376,667
Net income	30,732
Government contributions in aid of construction	23,726
Balance, December 31, 1990	**$ 2,431,125**

The consolidated bonds and notes are secured by a pledge of the net revenues of all facilities financed by these bonds and notes. At December 31, 1990 Port Authority debt consisted of the following (amounts in thousands):

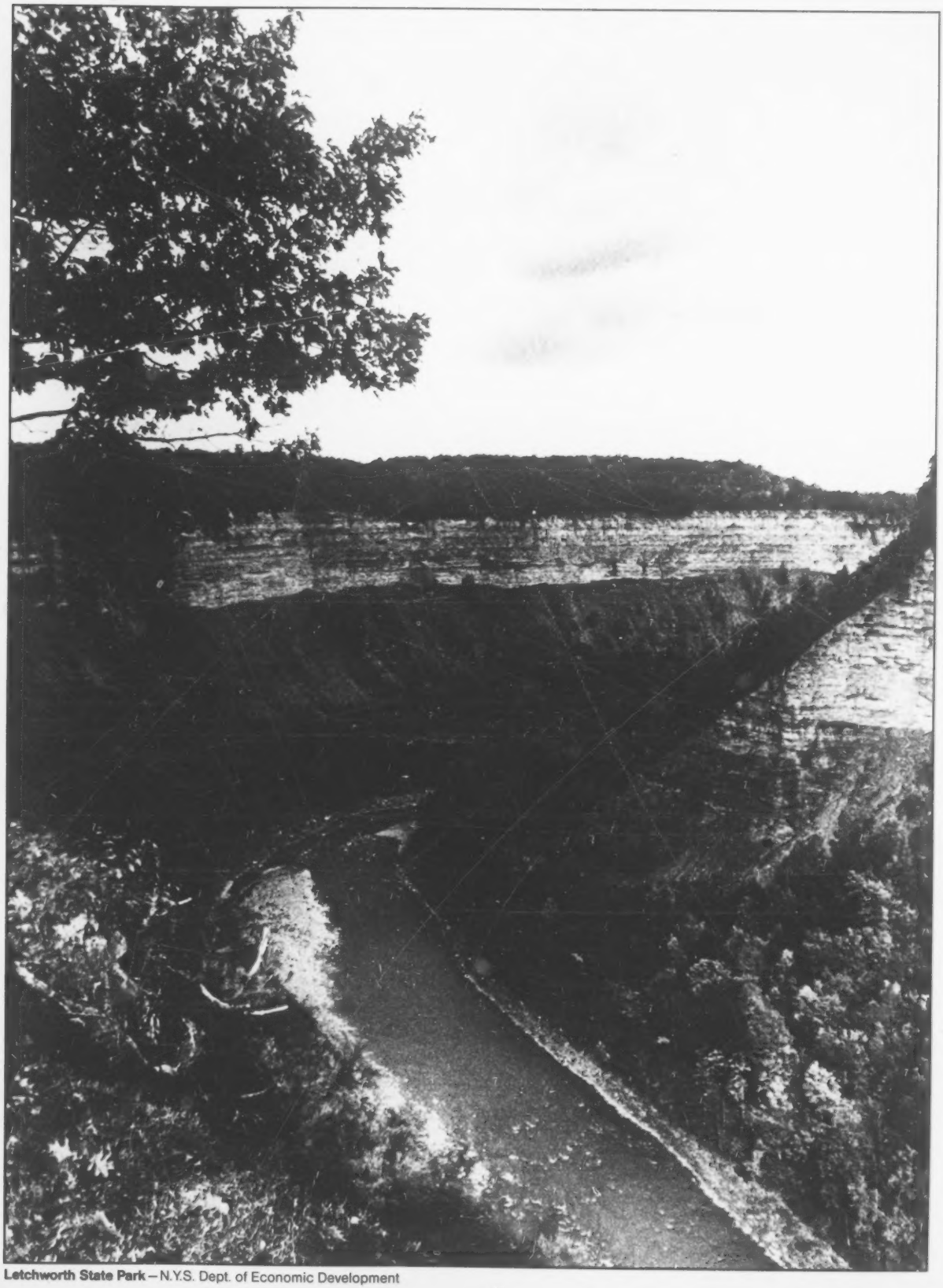
Consolidated bonds and notes	$ 3,667,772
Fund for Regional Development obligation, at present value	357,067
Commercial paper obligations	172,140
Variable rate notes	182,000
Special project bonds	284,319
Other	58,749
Total	**$ 4,722,047**

Academy Park, Albany



EXCELSIOR

Combining Financial Statements



Letchworth State Park – N.Y.S. Dept. of Economic Development

General Fund

The General Fund is the most significant of the State's funds. Most tax revenues and certain miscellaneous revenues are recorded in the General Fund.

The General Fund is divided into several accounts. Expenditures in the form of aid to local governments for their general purposes (e.g., State-local revenue sharing) and to school districts and municipalities for certain specific purposes (e.g., education and social services) are made from the Local Assistance account. These payments, often based on specific legislated formulas, are nevertheless limited under the State Constitution to appropriations in force. Expenditures from the Local Assistance account normally comprise approximately 57% of General Fund expenditures.

The expenditures of operating the departments of the Executive Branch, the Legislature and the Judiciary, as well as expenditures for General State charges such as contributions to employee retirement systems, are paid primarily from the State Purposes account and normally comprise approximately 26% of the General Fund expenditures.

General Fund — Combining Schedule of Balance Sheet Accounts

March 31, 1991
(Amounts in thousands)

	Local Assistance	State Purposes	Tax Stabilization Reserve	Health Insurance Reserve Receipts
ASSETS:				
Cash and investments	$ 3,468	$ 149,297	$ —	$ 5,038
Receivables, net of allowances for uncollectibles:				
Taxes	—	3,929,098	—	—
Other	43,483	668,714	—	—
Due from other funds	18,917	44,851	201,373	496
Other assets	7,633	81,648	—	—
Total assets	**$ 73,501**	**$ 4,873,608**	**$ 201,373**	**$ 5,534**
LIABILITIES:				
Payable to local governments	$ 4,268,744	$ 108,112	$ —	$ —
Tax refunds payable	—	2,661,433	—	—
Accrued liabilities	801,020	791,380	—	—
Pension contributions payable	—	532,374	—	—
Accounts payable	736	270,884	—	—
Due to other funds	186,367	670,242	—	864
Tax anticipation notes payable	905,000	—	—	—
Deferred revenues	—	833,683	—	—
Other long-term liabilities	—	125,787	—	—
Total liabilities	**6,161,867**	**5,993,895**	**—**	**864**
EQUITY (DEFICIT):				
Fund balances (deficits):				
Reserved for:				
Encumbrances	258,182	120,211	—	—
Education accumulation	—	—	—	—
Infrastructure trust	—	—	—	—
Tax stabilization	—	—	201,373	—
Other specified purposes	43,127	5,567	—	—
Unreserved	(6,389,675)	(1,246,065)	—	4,670
Total equity (deficit)	**(6,088,366)**	**(1,120,287)**	**201,373**	**4,670**
Total liabilities and equity (deficit)	**$ 73,501**	**$ 4,873,608**	**$ 201,373**	**$ 5,534**

NYS Infrastucture Trust	Centralized Services	State Exposition Special	Correctional Services Commissary	Miscellaneous Internal Service	Earmarked Revenue	Mental Hygiene Revolving
$ 2,702	$ —	$ 1,268	$ 3,584	$ 881	$ 1,551	$ —
—	—	—	—	—	—	—
—	481	—	—	—	44,983	—
244,474	21,852	125	132	853	715,015	614
—	531	—	—	61	403	8
$ 247,176	**$ 22,864**	**$ 1,393**	**$ 3,716**	**$ 1,795**	**$ 761,952**	**$ 622**
$ —	$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—	—
—	2,788	39	—	1,387	57,318	52
—	—	—	—	—	—	—
—	9,638	92	1,246	450	60,982	154
—	50,076	39	—	465	41,988	26
—	—	—	—	—	—	—
—	—	—	—	—	68,134	—
—	—	—	—	—	—	—
—	**62,502**	**170**	**1,246**	**2,302**	**228,422**	**232**
—	22,775	112	—	312	51,956	70
—	—	—	—	—	598,290	—
244,206	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	13,891	—
2,970	(62,413)	1,111	2,470	(819)	(130,607)	320
247,176	**(39,638)**	**1,223**	**2,470**	**(507)**	**533,530**	**390**
$ 247,176	**$ 22,864**	**$ 1,393**	**$ 3,716**	**$ 1,795**	**$ 761,952**	**$ 622**

Continued

General Fund — Combining Schedule of Balance Sheet Accounts (cont'd)

March 31, 1991
(Amounts in thousands)

	Mental Health Sheltered Workshop	Mental Hygiene Community Stores	Supply Support System Revolving	Health Insurance Revolving
ASSETS:				
Cash and investments	$ 2,732	$ 3,112	$ —	$ —
Receivables, net of allowances for uncollectibles:				
Taxes	—	—	—	—
Other	—	—	—	—
Due from other funds	229	397	9,141	319
Other assets	—	—	—	—
Total assets	**$ 2,961**	**$ 3,509**	**$ 9,141**	**$ 319**
LIABILITIES:				
Payable to local governments	$ —	$ —	$ —	$ —
Tax refunds payable	—	—	—	—
Accrued liabilities	—	138	1,122	375
Pension contributions payable	—	—	—	—
Accounts payable	298	248	7,715	97
Due to other funds	3	50	4,361	11,347
Tax anticipation notes payable	—	—	—	—
Deferred revenues	—	—	—	—
Other long-term liabilities	—	—	—	—
Total liabilities	**301**	**436**	**13,198**	**11,819**
EQUITY (DEFICIT):				
Fund balances (deficits):				
Reserved for:				
Encumbrances	81	292	13,541	6
Education accumulation	—	—	—	—
Infrastructure trust	—	—	—	—
Tax stabilization	—	—	—	—
Other specified purposes	—	—	—	—
Unreserved	2,579	2,781	(17,598)	(11,506)
Total equity (deficit)	**2,660**	**3,073**	**(4,057)**	**(11,500)**
Total liabilities and equity (deficit)	**$ 2,961**	**$ 3,509**	**$ 9,141**	**$ 319**

Correctional Industries Revolving	Cornell Statutory Colleges	CUNY Unrestricted	Miscellaneous	Eliminations	Totals 1991	Totals 1990
$ —	$ 1,227	$ 65,683	$ 1,994	$ —	$ 242,537	$ 1,016,611
—	—	—	—	—	3,929,098	3,896,910
4,287	42,067	60,206	287	—	864,508	243,811
1,191	—	5,115	199	(661,420)	603,873	105,239
171	2,884	997	—	—	94,336	103,802
$ 5,649	**$ 46,178**	**$ 132,001**	**$ 2,480**	**$ (661,420)**	**$ 5,734,352**	**$ 5,366,373**
$ —	$ —	$ —	$ —	$ —	$ 4,376,856	$ 4,293,975
—	—	—	—	—	2,661,433	2,642,246
1,506	—	8,504	245	—	1,665,874	1,428,584
—	—	—	—	—	532,374	462,548
1,871	4,790	134,918	201	—	494,320	391,735
18,584	—	—	1,742	(661,420)	324,734	211,058
—	—	—	—	—	905,000	775,000
—	756	10,968	—	—	913,541	267,867
—	—	—	—	—	125,787	123,577
21,961	**5,546**	**154,390**	**2,188**	**(661,420)**	**11,999,919**	**10,596,590**
1,540	—	—	111	—	469,189	518,180
—	—	—	—	—	598,290	642,390
—	—	—	—	—	244,206	272,854
—	—	—	—	—	201,373	201,373
—	—	—	—	—	62,585	70,703
(17,852)	40,632	(22,389)	181	—	(7,841,210)	(6,935,717)
(16,312)	**40,632**	**(22,389)**	**292**	**—**	**(6,265,567)**	**(5,230,217)**
$ 5,649	**$ 46,178**	**$ 132,001**	**$ 2,480**	**$ (661,420)**	**$ 5,734,352**	**$ 5,366,373**

General Fund — Combining Schedule of Revenue, Expenditure and Changes in Fund Balance (Deficit) Accounts

Year Ended March 31, 1991
(Amounts in thousands)

	Local Assistance	State Purposes	Tax Stabilization Reserve	Health Insurance Reserve Receipts
REVENUES:				
Taxes:				
Personal income	$ —	$ 14,336,210	$ —	$ —
Consumption and use	—	6,236,375	—	—
General business	—	4,144,840	—	—
Other	—	1,120,961	—	—
Federal grants	—	3,245	—	—
Miscellaneous	9,240	685,961	—	22,141
Total revenues	**$ 9,240**	**$ 26,527,592**	**$ —**	**$ 22,141**
EXPENDITURES:				
Grants to local governments:				
Social services	7,058,386	—	—	—
Education	8,613,861	—	—	—
Non-categorical aid	1,062,201	—	—	—
Mental hygiene	917,297	—	—	—
Health and environment	325,212	—	—	—
Transportation	215,577	—	—	—
Criminal justice	189,787	—	—	—
Other programs	382,271	—	—	—
Operations of state departments and agencies:				
Personal service costs	—	4,542,748	—	—
Non-personal service costs	—	2,015,070	—	—
Other fringe benefits	—	1,477,695	—	17,793
Pension contribution	—	84,249	—	—
Debt service, including payments on financing arrangements	—	269,660	—	—
Total expenditures	**18,764,592**	**8,389,422**	**—**	**17,793**
Excess (deficiency) of revenues over expenditures	**(18,755,352)**	**18,138,170**	**—**	**4,348**
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	19,178,807	1,952,345	—	—
Operating transfers to other funds	(1,771,209)	(20,420,251)	—	—
Proceeds from financing arrangements	874,188	38,465	—	—
Net other financing sources (uses)	**18,281,786**	**(18,429,441)**	**—**	**—**
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(473,566)	(291,271)	—	4,348
Fund balances (deficits) at April 1, 1990	(5,614,800)	(829,016)	201,373	322
Fund balances (deficits) at March 31, 1991	**$ (6,088,366)**	**$ (1,120,287)**	**$ 201,373**	**$ 4,670**

NYS Infrastructure Trust	Centralized Services	State Exposition Special	Correctional Services Commissary	Miscellaneous Internal Service	Earmarked Revenue	Mental Hygiene Revolving
$ —	$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	247	—
2,961	249,414	6,739	23,365	44,290	815,266	1,949
2,961	**249,414**	**6,739**	**23,365**	**44,290**	**815,513**	**1,949**
—	—	—	—	—	—	—
—	—	—	—	—	642,439	—
—	—	—	—	—	—	—
—	—	—	—	—	8	—
—	—	—	—	—	11,145	—
—	—	—	—	—	—	—
—	—	—	—	—	13,177	—
—	—	—	—	—	10,499	—
—	47,599	1,746	—	22,043	2,843,462	804
—	110,418	4,388	23,565	6,166	681,805	1,138
—	14,614	188	—	5,577	123,059	234
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	**172,631**	**6,322**	**23,565**	**33,786**	**4,325,589**	**2,176**
2,961	**76,783**	**417**	**(200)**	**10,504**	**(3,510,076)**	**(227)**
—	—	—	—	—	3,580,443	—
(99,798)	(97,440)	—	—	(14)	(150,809)	—
—	—	—	—	—	—	—
(99,798)	**(97,440)**	**—**	**—**	**(14)**	**3,429,634**	**—**
(96,837)	(20,657)	417	(200)	10,490	(80,442)	(227)
344,013	(18,981)	806	2,670	(10,997)	613,972	617
$ 247,176	**$ (39,638)**	**$ 1,223**	**$ 2,470**	**$ (507)**	**$ 533,530**	**$ 390**

Continued

General Fund — Combining Schedule of Revenue, Expenditure and Changes in Fund Balance (Deficit) Accounts (cont'd)

Year Ended March 31, 1991
(Amounts in thousands)

	Mental Health Sheltered Workshop	Mental Hygiene Community Stores	Supply Support System Revolving	Health Insurance Revolving
REVENUES:				
Taxes:				
Personal income	$ —	$ —	$ —	$ —
Consumption and use	—	—	—	—
General business	—	—	—	—
Other	—	—	—	—
Federal grants	—	—	—	—
Miscellaneous	3,682	6,069	107,916	3,632
Total revenues	3,682	6,069	107,916	3,632
EXPENDITURES:				
Grants to local governments:				
Social services	—	—	—	—
Education	—	—	—	—
Non-categorical aid	—	—	—	—
Mental hygiene	—	—	—	—
Health and environment	—	—	—	—
Transportation	—	—	—	—
Criminal justice	—	—	—	—
Other programs	—	—	—	—
Operations of state departments and agencies:				
Personal service costs	1,824	1,574	18,878	6,402
Non-personal service costs	1,537	3,607	86,829	909
Other fringe benefits	6	483	5,354	1,798
Pension contribution	—	—	—	—
Debt service, including payments on financing arrangements	—	—	—	—
Total expenditures	3,367	5,664	111,061	9,109
Excess (deficiency) of revenues over expenditures	315	405	(3,145)	(5,477)
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	—	—	—	—
Operating transfers to other funds	—	—	—	—
Proceeds from financing arrangements	—	—	—	—
Net other financing sources (uses)	—	—	—	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	315	405	(3,145)	(5,477)
Fund balances (deficits) at April 1, 1990	2,345	2,668	(912)	(6,023)
Fund balances (deficits) at March 31, 1991	$ 2,660	$ 3,073	$ (4,057)	$ (11,500)

Correctional Industries Revolving	Cornell Statutory Colleges	CUNY Unrestricted	Miscellaneous	Eliminations	Totals 1991	Totals 1990
$ —	$ —	$ —	$ —	$ —	$ 14,336,210	$ 14,977,605
—	—	—	—	—	6,236,375	7,549,381
—	—	—	—	—	4,144,840	3,339,886
—	—	—	—	—	1,120,961	1,286,711
—	48,257	57,214	—	—	108,963	106,317
49,144	116,285	141,358	7,210	(422,703)	1,873,919	1,973,097
49,144	**164,542**	**198,572**	**7,210**	**(422,703)**	**27,821,268**	**29,232,997**
—	—	—	—	—	7,058,386	6,172,235
—	—	—	—	—	9,256,300	8,720,792
—	—	—	—	—	1,062,201	1,133,753
—	—	—	—	—	917,300	833,688
—	—	—	—	—	336,357	288,697
—	—	—	—	—	215,577	249,969
—	—	—	—	—	202,964	232,697
—	—	—	—	—	392,770	378,534
19,055	151,240	629,960	4,424	—	8,291,759	7,815,534
31,721	122,305	227,764	3,033	(422,703)	2,897,552	2,874,118
5,494	5,675	155,172	443	—	1,813,585	1,638,371
—	—	—	—	—	84,249	362,078
—	—	—	—	—	269,660	290,266
56,270	**279,220**	**1,012,896**	**7,900**	**(422,703)**	**32,798,660**	**30,990,732**
(7,126)	**(114,678)**	**(814,324)**	**(690)**	**—**	**(4,977,392)**	**(1,757,735)**
—	118,343	758,958	—	(20,785,876)	4,803,020	3,213,668
—	—	(19,986)	—	20,785,876	(1,773,631)	(2,129,404)
—	—	—	—	—	912,653	—
—	**118,343**	**738,972**	**—**	**—**	**3,942,042**	**1,084,264**
(7,126)	3,665	(75,352)	(690)	—	(1,035,350)	(673,471)
(9,186)	36,967	52,963	982	—	(5,230,217)	(4,556,746)
$ (16,312)	**$ 40,632**	**$ (22,389)**	**$ 292**	**$ —**	**$ (6,265,567)**	**$ (5,230,217)**

Rochester City Hall – N.Y.S. Dept. of Economic Development

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Federal Funds—to account for federal grants received by the State that are earmarked for specific programs. The need to satisfy federal accounting and reporting requirements dictate that federal grants be accounted for in a number of separate funds, including the Federal USDA-Food and Nutrition Services Fund, the Federal Health and Human Services Fund, the Federal HHS Block Grant Fund, the Federal Operating Grants Fund, the Unemployment Insurance Administration Fund and the Federal Job Training Partnership Fund.

NYS Local Government Records Management Improvement Fund—to account for fees that are earmarked for grants for government records management improvement purposes and the administrative costs of the Education Department for such purposes.

State Lottery Fund—to account for lottery revenues that are earmarked for education assistance to local school districts and the administrative costs of the Division of the Lottery.

Conservation Fund—to account for hunting and fishing license fees and related fines and penalties that are dedicated for fish and wildlife programs.

Environmental Protection and Oil Spill Compensation Fund—to account for license fees and penalties that are earmarked for oil spill clean-up costs and claims for damages.

OSHA Training and Education Safety Fund—to account for special compensation assessments that are dedicated for the payment of occupational safety training grants.

Client Security Fund—to account for a portion of attorney registration fees that are earmarked for the payment of claims for losses resulting from attorney's misconduct.

Hazardous Waste Remedial Fund—to account for various assessments, fines and other fees that are earmarked for hazardous waste site clean-up and site remediation activities.

Mass Transportation Operating Assistance Fund—to account for business and consumption use taxes that are dedicated for public mass transportation projects.

Correctional Services Family Benefit Fund—to account for telephone commissions that are earmarked for certain inmate benefit programs.

Unemployment Insurance Interest and Penalty Fund—to account for interest and penalties that are earmarked for certain Department of Labor programs.

Miscellaneous—to account for various fees, fines, user charges and other miscellaneous revenues that are earmarked for specific State programs.

Special Revenue Funds — Combining Balance Sheet

March 31, 1991
(Amounts in thousands)

	Local Gov't Records Mgt. Improvement	State Lottery	Federal USDA-FNS	Federal DHHS
ASSETS:				
Cash and investments	$ 9,616	$ —	$ 7,345	$ —
Receivables, net of allowances for uncollectibles:				
Taxes	—	—	—	—
Due from Federal government	—	—	64,588	2,191,174
Other	—	35,797	55	2,071
Due from other funds	978	198	799	2,572
Other assets	—	4,597	—	5,823
Total assets	**$ 10,594**	**$ 40,592**	**$ 72,787**	**$ 2,201,640**
LIABILITIES:				
Payable to local governments	$ 24	$ —	$ 71,272	$ 960,340
Tax refunds payable	—	—	—	—
Accrued liabilities	30	468	379	992,661
Accounts payable	79	21,404	868	23,406
Due to other funds	14	5,962	268	224,477
Deferred revenues	—	—	—	756
Total liabilities	**147**	**27,834**	**72,787**	**2,201,640**
EQUITY (DEFICIT):				
Fund balances:				
Reserved for encumbrances	101	1,258	—	26,314
Unreserved	10,346	11,500	—	(26,314)
Total equity (deficit)	**10,447**	**12,758**	**—**	**—**
Total liabilities and equity (deficit)	**$ 10,594**	**$ 40,592**	**$ 72,787**	**$ 2,201,640**

Federal DHHS Block Grant	Federal Operating Grants	Conservation	Environmental Protection and Oil Spill Compensation	OSHA Training and Education Safety	Clients Security
$ 3,867	$ 199,739	$ 10,078	$ 16,751	$ 4,348	$ 3,634
—	—	—	—	—	—
66,153	7,085	—	—	—	—
449	921	—	29,465	—	—
12,406	20,379	2,215	1,715	1,139	479
209	3	105	—	—	4
$ 83,084	**$ 228,127**	**$ 12,398**	**$ 47,931**	**$ 5,487**	**$ 4,117**
$ 72,374	$ 13,451	$ —	$ —	$ —	$ —
—	—	—	—	—	—
4,875	10,882	1,248	186	620	12
2,924	16,385	682	2,206	921	1
2,911	3,218	405	123	1,281	1
—	—	—	24,629	—	—
83,084	**43,936**	**2,335**	**27,144**	**2,822**	**14**
8,986	127,737	2,526	471	2,602	55
(8,986)	56,454	7,537	20,316	63	4,048
—	**184,191**	**10,063**	**20,787**	**2,665**	**4,103**
$ 83,084	**$ 228,127**	**$ 12,398**	**$ 47,931**	**$ 5,487**	**$ 4,117**

Continued

Special Revenue Funds — Combining Balance Sheet (cont'd)

March 31, 1991
(Amounts in thousands)

	Hazardous Waste Remedial	Mass Transportation Operating Assistance	Correctional Family Benefits	Unemployment Insurance Administration
ASSETS:				
Cash and investments	$ 3,287	$ 322,008	$ 675	$ 1,848
Receivables, net of allowances for uncollectibles:				
Taxes	—	70,662	—	—
Due from Federal government	—	—	—	11,710
Other	3,305	—	—	2,453
Due from other funds	1,491	59,849	66	1,340
Other assets	—	—	—	1,091
Total assets	**$ 8,083**	**$ 452,519**	**$ 741**	**$ 18,442**
LIABILITIES:				
Payable to local governments	$ —	$ 55,431	$ —	$ —
Tax refunds payable	—	5,248	—	—
Accrued liabilities	861	1	30	11,905
Accounts payable	640	1	187	5,127
Due to other funds	1,060	—	38	1,346
Deferred revenues	1,781	—	—	64
Total liabilities	**4,342**	**60,681**	**255**	**18,442**
EQUITY (DEFICIT):				
Fund balances:				
Reserved for encumbrances	182	252	92	12,613
Unreserved	3,559	391,586	394	(12,613)
Total equity (deficit)	**3,741**	**391,838**	**486**	**—**
Total liabilities and equity (deficit)	**$ 8,083**	**$ 452,519**	**$ 741**	**$ 18,442**

Unemployment Insurance Interest and Penalty	Federal Job Training Partnership	Miscellaneous	Totals 1991	Totals 1990
$ —	$ 125	$ 55,172	$ 638,493	$ 547,525
—	—	—	70,662	61,626
5	1,528	—	2,342,243	1,912,814
—	—	—	74,516	56,639
46	12	4,570	110,254	334,795
—	—	187	12,019	2,395
$ 51	$ 1,665	$ 59,929	$ 3,248,187	$ 2,915,794
$ —	$ 1,108	$ 337	$ 1,174,337	$ 917,426
—	—	—	5,248	7,340
11	100	737	1,025,006	969,583
1,582	11	191	76,615	197,647
772	446	316	242,638	81,593
—	—	136	27,366	16,039
2,365	1,665	1,717	2,551,210	2,189,628
469	9	18,146	201,813	159,902
(2,783)	(9)	40,066	495,164	566,264
(2,314)	—	58,212	696,977	726,166
$ 51	$ 1,665	$ 59,929	$ 3,248,187	$ 2,915,794

Special Revenue Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)

Year Ended March 31, 1991
(Amounts in thousands)

	Local Gov't Records Mgt. Improvement	State Lottery	Federal USDA-FNS	Federal DHHS
REVENUES:				
Taxes:				
Consumption and use	$ —	$ —	$ —	$ —
General business	—	—	—	—
Federal grants	—	—	563,955	10,521,890
Lottery	—	2,134,644	—	—
Miscellaneous	9,310	107,669	—	—
Total revenues	**9,310**	**2,242,313**	**563,955**	**10,521,890**
EXPENDITURES:				
Grants to local governments:				
Social services	—	—	116,683	8,018,075
Education	2,733	1,040,015	271,335	701,871
Mental hygiene	—	—	—	16,678
Health and environment	—	—	134,685	6,352
Transportation	—	—	—	—
Criminal justice	—	—	—	14
Other programs	—	—	13,719	51,714
Operation of state departments and agencies:				
Personal service costs	458	7,605	6,514	135,594
Non-personal service costs	266	1,278,882	8,071	217,934
Other fringe benefits	92	1,680	1,343	27,487
Pension contribution	27	504	22	445
Total expenditures	**3,576**	**2,328,686**	**552,372**	**9,176,165**
Excess (deficiency) of revenues over expenditures	**5,734**	**(86,373)**	**11,583**	**1,345,725**
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	—	100,003	—	—
Operating transfers to other funds	—	—	(11,583)	(1,345,725)
Net other financing sources (uses)	**—**	**100,003**	**(11,583)**	**(1,345,725)**
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	5,734	13,630	—	—
Fund balances (deficit) at April 1, 1990	4,713	(872)	—	—
Fund balances (deficit) at March 31, 1991	$ 10,447	$ 12,758	$ —	$ —

Federal DHHS Block Grant	Federal Operating Grants	Conservation	Environmental Protection and Oil Spill Compensation	OSHA Training and Education Safety	Clients Security
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
620,823	183,491	—	—	—	—
—	—	—	—	—	—
—	17,433	31,947	38,070	13,275	4,831
620,823	**200,924**	**31,947**	**38,070**	**13,275**	**4,831**
378,511	872	—	—	—	—
28,032	3,646	—	—	—	—
93,005	—	—	—	—	—
28,122	412	—	—	—	—
—	9,226	—	—	—	—
—	14,373	—	—	—	—
36,564	42,666	—	—	—	—
30,826	61,815	20,643	3,086	5,968	189
19,627	73,714	7,571	10,180	6,217	95
6,262	14,692	4,611	754	2,473	4,254
102	238	1,382	226	742	1,276
621,051	**221,654**	**34,207**	**14,246**	**15,400**	**5,814**
(228)	**(20,730)**	**(2,260)**	**23,824**	**(2,125)**	**(983)**
546	—	—	—	—	—
(318)	(1,310)	—	(18,558)	—	—
228	**(1,310)**	**—**	**(18,558)**	**—**	**—**
—	(22,040)	(2,260)	5,266	(2,125)	(983)
—	206,231	12,323	15,521	4,790	5,086
$ —	**$ 184,191**	**$ 10,063**	**$ 20,787**	**$ 2,665**	**$ 4,103**

Continued

Special Revenue Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) (cont'd)

Year Ended March 31, 1991
(Amounts in thousands)

	Hazardous Waste Remedial	Mass Transportation Operating Assistance	Correctional Family Benefits	Unemployment Insurance Administration
REVENUES:				
Taxes:				
Consumption and use	$ —	$ 236,046	$ —	$ —
General business	—	476,609	—	—
Federal grants	—	—	—	232,956
Lottery	—	—	—	—
Miscellaneous	11,129	23,149	4,867	14,583
Total revenues	11,129	735,804	4,867	247,539
EXPENDITURES:				
Grants to local governments:				
Social services	—	—	—	—
Education	—	—	—	—
Mental hygiene	—	—	—	—
Health and environment	—	—	—	—
Transportation	—	77,660	—	—
Criminal justice	—	—	—	—
Other programs	—	—	—	—
Operation of state departments and agencies:				
Personal service costs	4,154	1,296	519	166,175
Non-personal service costs	1,577	—	7,412	53,236
Other fringe benefits	1,625	—	146	33,894
Pension contribution	487	—	44	549
Total expenditures	7,843	78,956	8,121	253,854
Excess (deficiency) of revenues over expenditures	3,286	656,848	(3,254)	(6,315)
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	18,558	—	—	6,315
Operating transfers to other funds	(28,494)	(698,931)	—	—
Net other financing sources (uses)	(9,936)	(698,931)	—	6,315
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(6,650)	(42,083)	(3,254)	—
Fund balances (deficit) at April 1, 1990	10,391	433,921	3,740	—
Fund balances (deficit) at March 31, 1991	$ 3,741	$ 391,838	$ 486	$ —

Unemployment Insurance Interest and Penalty	Federal Job Training Partnership	Miscellaneous	Eliminations	Totals 1991	Totals 1990
$ —	$ —	$ —	$ —	$ 236,046	$ 234,348
—	—	—	—	476,609	437,490
—	156,157	9,616	—	12,288,888	10,800,179
—	—	—	—	2,134,644	1,948,273
7,704	—	46,941	—	330,908	247,601
7,704	**156,157**	**56,557**	**—**	**15,467,095**	**13,667,891**
—	—	—	—	8,514,141	7,306,697
—	7,740	—	—	2,055,372	1,958,391
—	—	817	—	110,500	87,085
—	—	—	—	169,571	208,634
—	—	500	—	87,386	104,770
—	—	—	—	14,387	14,607
—	137,229	12,263	—	294,155	284,398
3,047	1,786	4,339	—	454,014	420,357
7,858	2,609	14,084	—	1,709,333	1,430,963
501	471	667	—	100,952	80,325
150	8	200	—	6,403	4,382
11,556	**149,843**	**32,870**	**—**	**13,516,214**	**11,900,609**
(3,852)	**6,314**	**23,687**	**—**	**1,950,881**	**1,767,282**
—	—	37,198	(25,414)	137,206	26,511
—	(6,314)	(31,457)	25,414	(2,117,276)	(2,126,663)
—	**(6,314)**	**5,741**	**—**	**(1,980,070)**	**(2,100,152)**
(3,852)	—	29,428	—	(29,189)	(332,870)
1,538	—	28,784	—	726,166	1,059,036
$ (2,314)	**$ —**	**$ 58,212**	**$ —**	**$ 696,977**	**$ 726,166**

Special Revenue Funds — Combining Schedule of Cash Receipts and Disbursements — Budgetary Basis — Financial Plan and Actual

Year Ended March 31, 1991
(Amounts in thousands)

	State Lottery			Federal USDA-FNS		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	$ —	$ —	$ —	$ —	$ —	$ —
Miscellaneous	992,300	1,000,400	8,100	—	—	—
Federal grants	—	—	—	574,400	590,900	16,500
Total receipts	**992,300**	**1,000,400**	**8,100**	**574,400**	**590,900**	**16,500**
DISBURSEMENTS:						
Grants to local governments	1,036,500	1,036,500	—	544,800	555,200	(10,400)
Departmental operations	53,500	56,200	(2,700)	17,200	14,600	2,600
General state charges	2,600	2,600	—	1,800	1,600	200
Capital projects	—	—	—	—	—	—
Total disbursements	**1,092,600**	**1,095,300**	**(2,700)**	**563,800**	**571,400**	**(7,600)**
Excess (deficiency) of receipts over disbursements	**(100,300)**	**(94,900)**	**5,400**	**10,600**	**19,500**	**8,900**
OTHER FINANCING SOURCES (USES):						
Investment in notes	—	(200)	(200)	—	(700)	(700)
Transfers from other funds	103,300	100,000	(3,300)	—	—	—
Transfers to other funds	(3,500)	(3,500)	—	(10,000)	(11,600)	(1,600)
Net other financing sources (uses)	**99,800**	**96,300**	**(3,500)**	**(10,000)**	**(12,300)**	**(2,300)**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ (500)**	**$ 1,400**	**$ 1,900**	**$ 600**	**$ 7,200**	**$ 6,600**

Federal DHHS			Federal DHHS Block Grant		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
9,922,300	10,099,400	177,100	567,300	635,900	68,600
9,922,300	**10,099,400**	**177,100**	**567,300**	**635,900**	**68,600**
8,243,400	8,449,300	(205,900)	516,900	583,200	(66,300)
338,700	351,600	(12,900)	43,400	45,100	(1,700)
36,200	35,100	1,100	6,900	7,700	(800)
—	—	—	—	—	—
8,618,300	**8,836,000**	**(217,700)**	**567,200**	**636,000**	**(68,800)**
1,304,000	**1,263,400**	**(40,600)**	**100**	**(100)**	**(200)**
—	—	—	—	(400)	(400)
—	—	—	—	500	500
(1,304,000)	(1,317,300)	(13,300)	(700)	(600)	100
(1,304,000)	**(1,317,300)**	**(13,300)**	**(700)**	**(500)**	**200**
$ —	**$ (53,900)**	**$ (53,900)**	**$ (600)**	**$ (600)**	**$ —**

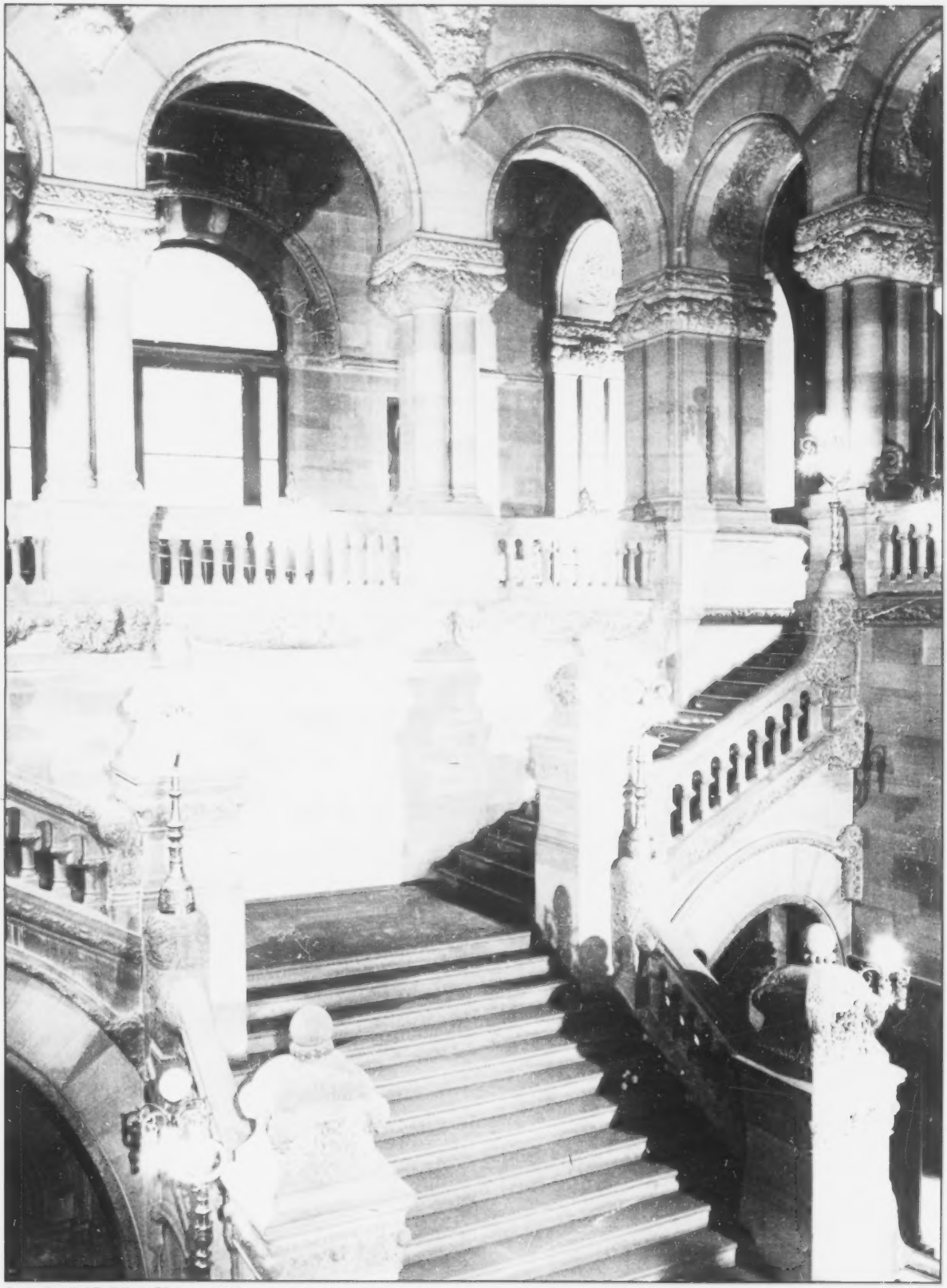
Continued

Special Revenue Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual (cont'd)

Year Ended March 31, 1991
(Amounts in thousands)

	Mass Transportation Operating Assistance			Earmarked Revenue Account		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	$ 703,000	$ 703,700	$ 700	$ 1,700	$ —	$ (1,700)
Miscellaneous	25,000	24,300	(700)	1,529,300	1,428,190	(101,110)
Federal Grants	—	—	—	400	257	(143)
Total receipts	**728,000**	**728,000**	**—**	**1,531,400**	**1,428,447**	**(102,953)**
DISBURSEMENTS:						
Grants to local governments	860,000	865,900	(5,900)	670,300	673,200	(2,900)
Departmental operations	—	1,400	(1,400)	3,597,000	3,538,100	58,900
General state charges	—	—	—	146,500	143,400	3,100
Capital projects	—	—	—	600	500	100
Total disbursements	**860,000**	**867,300**	**(7,300)**	**4,414,400**	**4,355,200**	**59,200**
Excess (deficiency) of receipts over disbursements	**(132,000)**	**(139,300)**	**(7,300)**	**(2,883,000)**	**(2,926,753)**	**(43,753)**
OTHER FINANCING SOURCES (USES):						
Investment in notes	—	(29,500)	(29,500)	—	(61,500)	(61,500)
Transfers from other funds	298,900	298,900	—	2,908,400	2,973,200	64,800
Transfers to other funds	—	—	—	(169,100)	(172,800)	(3,700)
Net other financing sources (uses)	**298,900**	**269,400**	**(29,500)**	**2,739,300**	**2,738,900**	**(400)**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ 166,900**	**$ 130,100**	**$ (36,800)**	**$ (143,700)**	**$ (187,853)**	**$ (44,153)**

Other			Eliminations		Total		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Financial Plan	Actual	Favorable (Unfavorable) Variance
$ 3,300	$ 3,100	$ (200)	$ —	$ —	$ 708,000	$ 706,800	$ (1,200)
195,400	195,410	10	—	—	2,742,000	2,648,300	(93,700)
580,600	588,543	7,943	—	—	11,645,000	11,915,000	270,000
779,300	**787,053**	**7,753**	**—**	**—**	**15,095,000**	**15,270,100**	**175,100**
248,100	236,700	11,400	—	—	12,120,000	12,400,000	(280,000)
448,200	452,800	(4,600)	—	—	4,498,000	4,459,800	38,200
79,000	78,100	900	—	—	273,000	268,500	4,500
400	500	(100)	—	—	1,000	1,000	—
775,700	**768,100**	**7,600**	**—**	**—**	**16,892,000**	**17,129,300**	**(237,300)**
3,600	**18,953**	**15,353**	**—**	**—**	**(1,797,000)**	**(1,859,200)**	**(62,200)**
—	(28,500)	(28,500)	—	—	—	(120,800)	(120,800)
39,400	62,100	22,700	(172,000)	(188,100)	3,178,000	3,246,600	68,600
(59,700)	(85,000)	(25,300)	172,000	188,100	(1,375,000)	(1,402,700)	(27,700)
(20,300)	**(51,400)**	**(31,100)**	**—**	**—**	**1,803,000**	**1,723,100**	**(79,900)**
$ (16,700)	**$ (32,447)**	**$ (15,747)**	**$ —**	**$ —**	**$ 6,000**	**$ (136,100)**	**$ (142,100)**



State Capitol Building, Albany – N.Y.S. Dept. of Economic Development

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of principal and interest on general long-term obligations and payments on certain lease-purchase or other contractual obligations.

Mental Hygiene Services Fund—to account for the payment of debt service in conjunction with agreements with the New York State Medical Care Facilities Finance Agency for financing mental hygiene facilities.

General Debt Service Fund—to account for the payment of principal and interest on the State's general obligation debt and the payments on certain lease-purchase or other contractual obligations.

Grade Cross Elimination Debt Fund—to account for the repayments of State advances made to local governments and railroads which were earmarked for payment of principal and interest on Grade Crossing Elimination bonds.

State Housing Debt Fund—to account for the repayment of State advances made to local governments and certain public authorities that are earmarked for paying the principal and interest on State Housing bonds.

Department of Health Income Fund—to account for the payment of debt service in conjunction with agreements with the Dormitory Authority for financing health facilities.

Emergency Highway Reconditioning and Preservation Fund
Emergency Highway Construction and Reconstruction Fund
Each fund accounts for a portion of motor fuel taxes earmarked for making debt service payments pursuant to agreements with the New York State Thruway Authority for financing certain highway capital projects.

State University Dormitory Income Fund
State University Income Fund
State University Construction Fund
Each fund accounts for certain State University revenues that are earmarked for making debt service payments pursuant to agreements with the New York State Housing Finance Agency or the Dormitory Authority of the State of New York for financing State University facilities.

City University Construction Fund—to account for debt service payments pursuant to agreements with the Dormitory Authority of the State of New York for financing CUNY Senior College facilities.

Sole Custody Funds—to account for debt service payments related to the issuance of certificates of participation and the refunding of certain general obligation debt.

Local Government Assistance Tax Fund—to account for revenues that are earmarked for payment to the New York Local Government Assitance Corporation for debt service.

Debt Service Funds — Combining Balance Sheet

March 31, 1991
(Amounts in thousands)

	Mental Hygiene Services	General Debt Service	Grade Crossing Elimination	State Housing Debt	Department of Health Income	Emergency Highway Reconditioning and Preservation
ASSETS:						
Cash and investments	$ 71,285	$ 215,393	$ —	$ —	$ 5,178	$ 29,734
Receivables, net of allowance for uncollectibles:						
Taxes	—	—	—	—	—	—
Other	98,144	—	718	111,997	28,472	—
Due from other funds	80,177	—	—	—	5,572	—
Total assets	**$ 249,606**	**$ 215,393**	**$ 718**	**$ 111,997**	**$ 39,222**	**$ 29,734**
LIABILITIES:						
Tax refunds payable	$ —	$ —	$ —	$ —	$ —	$ —
Accrued liabilities	—	—	—	—	—	—
Accounts payable	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	—
Deferred revenues	—	—	262	121,876	—	—
Total liabilities	**—**	**—**	**262**	**121,876**	**—**	**—**
EQUITY (DEFICIT):						
Fund balances:						
Reserved for debt service	45,867	215,393	—	—	2,853	13,512
Unreserved	203,739	—	456	(9,879)	36,369	16,222
Total equity (deficit)	**249,606**	**215,393**	**456**	**(9,879)**	**39,222**	**29,734**
Total liabilities and equity (deficit)	**$ 249,606**	**$ 215,393**	**$ 718**	**$ 111,997**	**$ 39,222**	**$ 29,734**

State University Dormitory Income	Emergency Highway Construction and Reconstruction	State University Income	Local Government Assistance Tax	City University Construction	State University Construction	Sole Custody	Totals 1991	Totals 1990
$ 74,228	$ 15,571	$ 65,642	$ 80,665	$ 198,918	$ 185,473	$ 336,888	$ 1,278,975	$ 1,439,517
—	—	—	164,601	—	—	—	164,601	—
6,781	—	144,101	529	5	909	7,307	398,963	424,815
8,948	—	39,236	—	—	—	—	133,933	35,189
$ 89,957	**$ 15,571**	**$ 248,979**	**$ 245,795**	**$ 198,923**	**$ 186,382**	**$ 344,195**	**$ 1,976,472**	**$ 1,899,521**
$ —	$ —	$ —	$ 1,128	$ —	$ —	$ —	$ 1,128	$ —
—	—	—	—	947	—	—	947	—
—	—	50	—	198	—	—	248	1,060
86	—	1,470	—	—	—	—	1,556	1,166
23,797	—	55,242	—	—	—	—	201,177	191,754
23,883	**—**	**56,762**	**1,128**	**1,145**	**—**	**—**	**205,056**	**193,980**
33,055	13,745	—	81,194	180,844	110,659	336,888	1,034,010	1,026,881
33,019	1,826	192,217	163,473	16,934	75,723	7,307	737,406	678,660
66,074	**15,571**	**192,217**	**244,667**	**197,778**	**186,382**	**344,195**	**1,771,416**	**1,705,541**
$ 89,957	**$ 15,571**	**$ 248,979**	**$ 245,795**	**$ 198,923**	**$ 186,382**	**$ 344,195**	**$ 1,976,472**	**$ 1,899,521**

Debt Service Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)

Year Ended March 31, 1991
(Amounts in thousands)

	Mental Hygiene Services	General Debt Service	Grade Crossing Elimination	State Housing Debt	Department of Health Income	Emergency Highway Reconditioning and Preservation
REVENUES:						
Consumption and use taxes	$ —	$ —	$ —	$ —	$ —	$ 23,079
Federal grants	—	—	—	—	—	—
Tuition and fees	—	—	—	—	—	—
Patient fees	230,058	—	—	—	102,012	—
Miscellaneous	95	30,000	113	39,319	1,245	586
Total revenues	**230,153**	**30,000**	**113**	**39,319**	**103,257**	**23,665**
EXPENDITURES:						
Debt service, including payments on financing arrangements	76,405	1,171,363	—	39,720	4,733	9,800
Total expenditures	**76,405**	**1,171,363**	**—**	**39,720**	**4,733**	**9,800**
Excess (deficiency) of revenues over expenditures	**153,748**	**(1,141,363)**	**113**	**(401)**	**98,524**	**13,865**
OTHER FINANCING SOURCES (USES):						
Operating transfers from other funds	1,193,611	1,120,439	—	—	5,382	—
Operating transfers to other funds	(1,290,459)	—	(54)	(771)	(123,090)	(8,396)
Proceeds from financing arrangements/advance refundings	8,077	57,780	—	—	—	2,759
Payments on advance refundings	—	—	—	—	—	—
Net other financing sources (uses)	**(88,771)**	**1,178,219**	**(54)**	**(771)**	**(117,708)**	**(5,637)**
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	64,977	36,856	59	(1,172)	(19,184)	8,228
Fund balances (deficit) at April 1, 1990	184,629	178,537	397	(8,707)	58,406	21,506
Fund balances (deficit) at March 31, 1991	**$ 249,606**	**$ 215,393**	**$ 456**	**$ (9,879)**	**$ 39,222**	**$ 29,734**

State University Dormitory Income	Emergency Highway Construction and Reconstruction	State University Income	Local Government Assistance Tax	City University Construction	State University Construction	Sole Custody	Eliminations	Totals 1991	Totals 1990
$ —	$ 23,079	$ —	$ 1,421,878	$ —	$ —	$ —	$ —	$ 1,468,036	$ 33,120
914	—	938	—	—	256	—	—	2,108	2,573
132,529	—	299,109	—	180,595	28,542	—	(101,876)	538,899	540,671
—	—	409,396	—	—	38,535	—	(38,535)	741,466	688,346
12,511	145	280,135	4,855	130,295	38,936	43,726	(26,319)	555,642	489,788
145,954	**23,224**	**989,578**	**1,426,733**	**310,890**	**106,269**	**43,726**	**(166,730)**	**3,306,151**	**1,754,498**
34,785	11,075	7	—	131,026	112,208	154,083	(166,730)	1,578,475	1,426,096
34,785	**11,075**	**7**	**—**	**131,026**	**112,208**	**154,083**	**(166,730)**	**1,578,475**	**1,426,096**
111,169	**12,149**	**989,571**	**1,426,733**	**179,864**	**(5,939)**	**(110,357)**	**—**	**1,727,676**	**328,402**
—	—	255,080	76,339	—	15,819	9,163	(243,626)	2,432,207	1,955,121
(104,424)	(10,323)	(1,245,493)	(1,258,405)	(180,595)	(243,759)	(7,696)	243,626	(4,229,839)	(2,396,174)
429	1,911	—	—	41,671	23,204	1,554,953	—	1,690,784	1,654,916
—	—	—	—	—	—	(1,554,953)	—	(1,554,953)	(1,728,498)
(103,995)	**(8,412)**	**(990,413)**	**(1,182,066)**	**(138,924)**	**(204,736)**	**1,467**	**—**	**(1,661,801)**	**(314,635)**
7,174	3,737	(842)	244,667	40,940	(210,675)	(108,890)	—	65,875	13,767
58,900	11,834	193,059	—	156,838	397,057	453,085	—	1,705,541	1,691,774
$ 66,074	**$ 15,571**	**$ 192,217**	**$ 244,667**	**$ 197,778**	**$ 186,382**	**$ 344,195**	**$ —**	**$ 1,771,416**	**$ 1,705,541**

Debt Service Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual

Year Ended March 31, 1991
(Amounts in thousands)

	Mental Hygiene Services			General Debt Service		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	$ —	$ —	$ —	$ —	$ —	$ —
Miscellaneous	184,000	206,600	22,600	82,000	59,900	(22,100)
Federal grants	—	—	—	—	—	—
Total receipts	**184,000**	**206,600**	**22,600**	**82,000**	**59,900**	**(22,100)**
DISBURSEMENTS:						
Debt service	80,000	76,400	3,600	855,000	843,300	11,700
Total disbursements	**80,000**	**76,400**	**3,600**	**855,000**	**843,300**	**11,700**
Excess (deficiency) of receipts over disbursements	**104,000**	**130,200**	**26,200**	**(773,000)**	**(783,400)**	**(10,400)**
OTHER FINANCING SOURCES (USES):						
Investment in notes	—	(800)	(800)	—	—	—
Transfers from other funds	1,182,000	1,172,100	(9,900)	774,000	783,400	9,400
Transfers to other funds	(1,285,000)	(1,290,500)	(5,500)	—	—	—
Net other financing sources (uses)	**(103,000)**	**(119,200)**	**(16,200)**	**774,000**	**783,400**	**9,400**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ 1,000**	**$ 11,000**	**$ 10,000**	**$ 1,000**	**$ —**	**$ (1,000)**

State University Income			Local Government Assistance Tax		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
$ —	$ —	$ —	$ 1,002,000	$ 996,200	$ (5,800)
1,260,000	1,248,700	(11,300)	—	—	—
—	900	900	—	—	—
1,260,000	**1,249,600**	**(10,400)**	**1,002,000**	**996,200**	**(5,800)**
26,000	—	26,000	—	—	—
26,000	**—**	**26,000**	**—**	**—**	**—**
1,234,000	**1,249,500**	**15,600**	**1,002,000**	**996,200**	**(5,800)**
—	(6,300)	(6,300)	—	—	—
—	—	—	—	—	—
(1,299,000)	(1,245,500)	53,500	(1,002,000)	(996,200)	5,800
(1,299,000)	**(1,251,800)**	**47,200**	**(1,002,000)**	**(996,200)**	**5,800**
$ (65,000)	**$ (2,200)**	**$ 62,800**	**$ —**	**$ —**	**$ —**

Continued

Debt Service Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis—Financial Plan and Actual (cont'd)

Year Ended March 31, 1991
(Amounts in thousands)

	Other			Total		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	$ 46,000	$ 46,200	$ 200	$ 1,048,000	$ 1,042,400	$ (5,600)
Miscellaneous	265,000	283,100	18,100	1,791,000	1,798,300	7,300
Federal Grants	—	900	900	—	1,800	1,800
Total Receipts	311,000	330,200	19,200	2,839,000	2,842,500	3,500
DISBURSEMENTS:						
Debt service	100,000	99,800	200	1,061,000	1,019,500	41,500
Total disbursements	100,000	99,800	200	1,061,000	1,019,500	41,500
Excess (deficiency) of receipts over disbursements	211,000	230,400	19,400	1,778,000	1,823,000	45,000
OTHER FINANCING SOURCES (USES):						
Investment in notes	—	(4,000)	(4,000)	—	(11,100)	(11,100)
Transfers from other funds	—	—	—	1,956,000	1,955,500	(500)
Transfers to other funds	(231,000)	(232,400)	(1,400)	(3,817,000)	(3,764,600)	52,400
Net other financing sources (uses)	(231,000)	(236,400)	(5,400)	(1,861,000)	(1,820,200)	40,800
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	$ (20,000)	$ (6,000)	$ 14,000	$ (83,000)	$ 2,800	$ 85,800

Capital Projects Funds

Capital Projects Funds are used to account for the financial resources used for the acquisition or construction of major state owned capital facilities and for capital assistance grants to local governments and public authorities.

State Capital Projects Fund—to account for the construction or acquisition of state capital assets and the payments to local governments and public authorities for capital assistance financed primarily by transfers from the General Fund, Bond Funds and proceeds from various financial arrangements.

Bond Funds—to account for the proceeds of bonds issued for capital purposes. A separate bond fund is established to account for the bond proceeds of each bond issue authorized by public referendum, including the Energy Conservation Through Improved Transportation Bond Fund, the Pure Waters Bond Fund, the Transportation Capital Facilities Bond Fund, the Environmental Quality Protection Fund, the Rail Preservation and Development Bond Fund, the Transportation Infrastructure Renewal Bond Fund, the Environmental Quality Bond Act Fund and the Accelerated Capacity and Transportation Improvements Fund.

Federal Capital Projects Fund—to account for capital projects financed from federal grants.

Suburban Transportation Fund—to account for transportation capital projects in the New York metropolitan area financed from resources of Metropolitan Transportation Authority.

Mental Hygiene Facilities Capital Improvement Fund—to account for mental hygiene capital projects financed by the New York State Medical Care Facilities Finance Agency.

Correctional Facilities Capital Improvement Fund—to account for correctional facility capital projects financed by the Urban Development Corporation.

Miscellaneous—to account for various capital projects financed from the sale of land or other resources, gifts, grants or other miscellaneous revenue sources earmarked for capital purposes or from transfers from the New York State Infrastructure Trust Account.

Capital Projects Funds — Combining Balance Sheet

March 31, 1991
(Amounts in thousands)

	State Capital Projects	Energy Conservation/ Improved Transportation Bond	Pure Waters Bond	Outdoor Recreation Development Bond	Transportation Capital Facilities Bond	Environmental Quality Protection Bond	Rail Preservation and Development Bond
ASSETS:							
Cash and investments	$ 129,582	$ 697	$ —	$ —	$ 1,529	$ 14,275	$ 4,305
Receivables, net of allowance for uncollectibles:							
Due from Federal government	—	—	—	—	—	—	—
Other	29,694	—	—	—	—	—	—
Due from other funds	2,013	—	—	—	—	—	—
Marketable securities held in lieu of retainage	83,938	—	—	—	—	—	—
Total assets	$ 245,227	$ 697	$ —	$ —	$ 1,529	$ 14,275	$ 4,305
LIABILITIES:							
Payable to local governments	$ 23,109	$ —	$ —	$ —	$ —	$ —	$ —
Accrued liabilities	1,244	—	—	—	—	—	—
Accounts payable	234,947	—	—	—	—	—	—
Due to other funds	3,685	—	—	—	—	19,700	—
Deferred revenues	2,604	—	—	—	—	—	—
Notes payable	—	—	5,000	—	—	10,000	—
Total liabilities	265,589	—	5,000	—	—	29,700	—
EQUITY(DEFICIT):							
Fund balances(deficits):							
Reserved for:							
Encumbrances	1,567,840	—	—	—	—	—	—
Other specified purposes	28,252	—	—	—	—	—	—
Unreserved	(1,816,454)	697	(5,000)	—	1,529	(15,425)	4,305
Total equity (deficit)	(20,362)	697	(5,000)	—	1,529	(15,425)	4,305
Total liabilities and fund equity (deficit)	$ 245,227	$ 697	$ —	$ —	$ 1,529	$ 14,275	$ 4,305

Transportation Infrastructure Renewal Bond	Environmental Quality Bond	Accelerated Capacity and Transportation Improvements Bond	Federal Capital Projects	Suburban Transportation	Mental Hygiene Facilities Capital Improvement	Correctional Facilities Capital Improvement	Miscellaneous	Totals 1991	Totals 1990
$ 15,056	$ 12,858	$ 8,446	$ —	$ 4,939	$ —	$ —	$ 21,564	$ 213,251	$ 296,490
—	—	—	138,490	—	—	—	—	138,490	123,075
—	—	—	—	—	—	—	—	29,694	53,378
—	—	—	49	489	4,109	126	1,662	8,448	2,959
—	—	—	—	—	—	—	—	83,938	75,243
$ 15,056	$ 12,858	$ 8,446	$ 138,539	$ 5,428	$ 4,109	$ 126	$ 23,226	$ 473,821	$ 551,145
$ —	$ —	$ —	$ 418	$ —	$ 753	$ —	$ 9,883	$ 34,163	$ 45,364
—	—	—	785	—	130	72	8,752	10,983	13,049
—	—	—	100,766	—	28,147	27,354	20,734	411,948	390,910
—	—	—	36,508	—	203,352	171,739	95,567	530,551	199,013
—	—	—	62	—	—	—	—	2,666	2,612
8,400	5,000	199,100	—	—	—	—	—	227,500	242,000
8,400	5,000	199,100	138,539	—	232,382	199,165	134,936	1,217,811	892,948
—	—	—	1,138,886	—	327,121	106,360	237,780	3,377,987	3,287,133
—	—	—	—	—	—	—	—	28,252	49,366
6,656	7,858	(190,654)	(1,138,886)	5,428	(555,394)	(305,399)	(349,490)	(4,150,229)	(3,678,302)
6,656	7,858	(190,654)	—	5,428	(228,273)	(199,039)	(111,710)	(743,990)	(341,803)
$ 15,056	$ 12,858	$ 8,446	$ 138,539	$ 5,428	$ 4,109	$ 126	$ 23,226	$ 473,821	$ 551,145

Capital Projects Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Year Ended March 31, 1991
(Amounts in thousands)

	State Capital Projects	Energy Conservation Improved Transportation Bond	Pure Waters Bond	Outdoor Recreation Development Bond	Transportation Capital Facilities Bond	Environmental Quality Protection Bond	Rail Preservation and Development Bond	Transportation Infrastructure Renewal Bond
REVENUES:								
Federal grants	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Miscellaneous	18,714	—	—	—	—	—	—	—
Total revenues	18,714	—	—	—	—	—	—	—
EXPENDITURES:								
Grants to local governments:								
Education	5,514	—	—	—	—	—	—	—
Mental hygiene	16,645	—	—	—	—	—	—	—
Health and environment	84,346	—	—	—	—	—	—	—
Transportation	25,903	—	—	—	—	—	—	—
Other programs	12,459	—	—	—	—	—	—	—
Capital construction	1,099,397	—	—	—	—	—	—	—
Total expenditures	1,244,264	—	—	—	—	—	—	—
Excess (deficiency) of revenues over expenditures	(1,225,550)	—	—	—	—	—	—	—
Other financing sources (uses):								
Operating transfers from other funds	1,073,763	—	—	—	—	—	—	—
Operating transfers to other funds	(301,516)	(11,973)	(32,339)	(100)	(6,603)	(82,880)	(1,541)	(83,737)
Proceeds of general obligation bonds	—	1,800	25,800	100	7,500	57,500	—	255,600
Proceeds from financing arrangements/advance refundings	450,477	—	—	—	—	—	—	—
Net other financing sources (uses)	1,222,724	(10,173)	(6,539)	—	897	(25,380)	(1,541)	171,863
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,826)	(10,173)	(6,539)	—	897	(25,380)	(1,541)	171,863
Fund balances (deficits) at April 1, 1990	(17,536)	10,870	1,539	—	632	9,955	5,846	(165,207)
Fund balances (deficits) at March 31, 1991	$ (20,362)	$ 697	$ (5,000)	$ —	$ 1,529	$ (15,425)	$ 4,305	$ 6,656

Environmental Quality Bond	Accelerated Capacity and Transportation Improvements Bond	Federal Capital Projects	Suburban Transportation	Mental Hygiene Facilities Capital Improvement	Correctional Facilities Capital Improvement	Miscellaneous	Eliminations	Totals 1991	Totals 1990
$ —	$ —	$ 761,881	$ —	$ —	$ —	$ —	$ —	$ 761,881	$ 625,533
322	—	10,471	11,401	89	—	15,181	—	56,178	83,542
322	—	772,352	11,401	89	—	15,181	—	818,059	709,075
—	—	—	—	—	—	—	—	5,514	6,227
—	—	—	—	10,758	—	—	—	27,403	29,172
—	—	101,952	—	—	—	—	—	186,298	105,137
—	—	4,403	—	—	—	—	—	30,306	43,939
—	—	498	—	—	—	65,425	—	78,382	30,842
—	—	559,432	—	268,533	410,050	360,363	—	2,697,775	2,177,882
—	—	666,285	—	279,291	410,050	425,788	—	3,025,678	2,393,199
322	—	106,067	11,401	(279,202)	(410,050)	(410,607)	—	(2,207,619)	(1,684,124)
—	—	—	—	—	—	313,719	(1,140,560)	246,922	531,787
(80,604)	(513,274)	(106,067)	(22,207)	—	—	(91,009)	1,140,560	(193,290)	(135,822)
80,800	324,200	—	—	—	—	—	—	753,300	659,240
—	—	—	—	147,024	284,344	116,655	—	998,500	448,566
196	(189,074)	(106,067)	(22,207)	147,024	284,344	339,365	—	1,805,432	1,503,771
518	(189,074)	—	(10,806)	(132,178)	(125,706)	(71,242)	—	(402,187)	(180,353)
7,340	(1,580)	—	16,234	(96,095)	(73,333)	(40,468)	—	(341,803)	(161,450)
$ 7,858	$ (190,654)	$ —	$ 5,428	$ (228,273)	$ (199,039)	$ (111,710)	$ —	$ (743,990)	$ (341,803)

Capital Projects Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual

Year Ended March 31, 1991
(Amounts in thousands)

	State Capital Projects			Federal Capital Projects		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Miscellaneous	$ 509,000	$ 442,800	$ (66,200)	$ —	$ 10,500	$ 10,500
Federal grants	—	—	—	737,000	746,400	9,400
Total receipts	509,000	442,800	(66,200)	737,000	756,900	19,900
DISBURSEMENTS:						
Departmental operations	—	—	—	—	—	—
General state charges	—	—	—	—	—	—
Capital projects	1,400,000	1,306,800	93,200	627,000	667,500	(40,500)
Total disbursements	1,400,000	1,306,800	93,200	627,000	667,500	(40,500)
Excess (deficiency) of receipts over disbursements	(891,000)	(864,000)	27,000	110,000	89,400	(20,600)
OTHER FINANCING SOURCES (USES):						
STIP notes (investment in notes)	—	(1,900)	(1,900)	—	—	—
Bond and note proceeds, net	—	—	—	—	—	—
Transfers from other funds	1,027,000	1,061,500	34,500	—	—	—
Transfers to other funds	(134,000)	(195,900)	(61,900)	(138,000)	(127,300)	10,700
Net other financing sources (uses)	893,000	863,700	(29,300)	(138,000)	(127,300)	10,700
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	$ 2,000	$ (300)	$ (2,300)	$ (28,000)	$ (37,900)	$ (9,900)

Other			Eliminations		Total		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Financial Plan	Actual	Favorable (Unfavorable) Variance
$ 889,000	$ 575,000	$ (314,000)	$ —	$ —	$ 1,398,000	$ 1,028,300	$ (369,700)
2,000	—	(2,000)	—	—	739,000	746,400	7,400
891,000	**575,000**	**(316,000)**	**—**	**—**	**2,137,000**	**1,774,700**	**(362,300)**
6,000	5,100	900	—	—	6,000	5,100	900
—	700	(700)	—	—	—	700	(700)
1,141,000	1,150,300	(9,300)	—	—	3,168,000	3,124,600	43,400
1,147,000	**1,156,100**	**(9,100)**	**—**	**—**	**3,174,000**	**3,130,400**	**43,600**
(256,000)	**(581,100)**	**(325,100)**	**—**	**—**	**(1,037,000)**	**(1,355,700)**	**(318,700)**
—	(2,600)	(2,600)	—	—	—	(4,500)	(4,500)
734,000	758,500	24,500	—	—	734,000	758,500	24,500
298,000	313,800	15,800	(1,084,000)	(1,140,900)	241,000	234,400	(6,600)
(1,000,000)	(1,006,300)	(6,300)	1,084,000	1,140,900	(188,000)	(188,600)	(600)
32,000	**63,400**	**31,400**	**—**	**—**	**787,000**	**799,800**	**12,800**
$ (224,000)	**$ (517,700)**	**$ (293,700)**	**$ —**	**$ —**	**$ (250,000)**	**$ (555,900)**	**$ (305,900)**

South Street Seaport, New York City—N.Y.S. Dept. of Economic Development

Trust & Agency Funds

Trust and Agency Funds are used to account for assets held by the State in a fiduciary capacity or as an agent for individuals, private organizations or other governments and include Expendable Trust Funds, Nonexpendable Trust Funds, the State and Local Retirement System Fund and Agency Funds.

Expendable Trust Funds:
Unemployment Insurance Benefit Fund—accounts for the transfers from the Federal Unemployment Trust Fund in the U.S. Treasury to the State for the payment of unemployment compensation benefits.

Other Expendable Trust Funds—accounts for various gifts, bequests or contributions made to the State to be expended for purposes specified by the donor, such as for the benefit of mental hygiene patients.

Nonexpendable Trust Funds:
Student Loan Funds—accounts for the operations of the student loan programs administered by SUNY and CUNY.

Endowment Funds—accounts for SUNY and CUNY endowment funds which account for various gifts and bequests; the principal of which must be preserved intact with only the interest income available for expenditure for purposes specified by the donor.

Other Nonexpendable Trust Funds—accounts for various loan programs administered by State agencies, such as the equipment loan program administered by the Department of Social Services or for various gifts and bequests; the principal of which must be preserved intact with only the interest income available for expenditure for purposes specified by the donor; such as an annual award to an outstanding State trooper.

State and Local Retirement System accounts for the payment of retirement, disability and death benefits to members of the New York State and Local Employees' Retirement System and the New York State Police and Fire Retirement System and their beneficiaries.

Agency Funds:
Employee Benefit and Payroll Related Funds—account for various employee benefit programs, such as the NYS employee health insurance program, or for the disposition of various payroll related deductions, such as for social security contributions.

Lottery Prize Fund—accounts for the payment of lottery prizes by the Division of the Lottery.

MMIS Statewide Escrow Fund—accounts for the transfers from other funds of the federal, state and local shares of Medicaid program expenditures to a paying agent for ultimate payment to health care providers.

Other Agency Funds—accounts for various escrow, revenue collection and agency accounts for which the State acts in an agent's capacity until the proper disposition of the assets can be made. This includes accounting for advances from New York City for paying CUNY operating costs and for constructing New York City correctional facilities.

Trust and Agency Funds — Combining Balance Sheet

March 31, 1991
(Amounts in thousands)

	Expendable Trust Funds			
	Combined Expendable Trust	Milk Producers Security	Unemployment Insurance Benefit Account	Sole Custody
ASSETS:				
Cash and investments	$ 23,634	$ 4,344	$ 1,912,277	$ 480,232
Retirement system investments	—	—	—	—
Receivables, net of allowances for uncollectibles:				
Taxes	—	—	623,306	—
Due from Federal government	—	—	17	—
Other	—	—	87,363	43,581
Due from other funds	2,166	430	—	52,877
Other assets	—	—	—	—
Total assets	**$ 25,800**	**$ 4,774**	**$ 2,622,963**	**$ 576,690**
LIABILITIES:				
Payable to local governments	$ —	$ —	$ —	$ —
Accrued liabilities	169	—	130,686	1,603
Accounts payable	594	—	—	36
Due to other funds	595	—	—	—
Total liabilities	**1,358**	**—**	**130,686**	**1,639**
EQUITY:				
Fund balances:				
Reserved for:				
Net retirement system assets available for benefits	—	—	—	—
Unemployment benefits	—	—	2,492,277	—
Other specified purposes	24,442	4,774	—	575,051
Total equity	**24,442**	**4,774**	**2,492,277**	**575,051**
Total liabilities and equity	**$ 25,800**	**$ 4,774**	**$ 2,622,963**	**$ 576,690**

Nonexpendable Trust Funds

SUNY Student Loan	Housing Development	CUNY Student Loan	CUNY Endowment	SUNY Endowment	Miscellaneous	State and Local Retirement System
$ 3,333	$ 1,503	$ 1,752	$ 27,830	$ 232,308	$ 7,631	$ —
—	—	—	—	—	—	48,945,451
—	—	—	—	—	—	—
—	—	—	—	—	—	—
112,995	—	25,802	250	—	—	2,211,445
1,686	148	—	—	—	754	—
—	—	—	—	—	—	6,967
$ 118,014	**$ 1,551**	**$ 27,554**	**$ 28,080**	**$ 232,308**	**$ 8,385**	**$ 51,163,863**
$ —	$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	247	84	5	625,207
1,520	—	235	—	—	35	—
—	—	—	—	—	—	—
1,520	**—**	**235**	**247**	**84**	**40**	**625,207**
—	—	—	—	—	—	50,538,656
—	—	—	—	—	—	—
116,494	1,651	27,319	27,833	232,224	8,345	—
116,494	**1,651**	**27,319**	**27,833**	**232,224**	**8,345**	**50,538,656**
$ 118,014	**$ 1,651**	**$ 27,554**	**$ 28,080**	**$ 232,308**	**$ 8,385**	**$ 51,163,863**

Continued

Trust and Agency Funds — Combining Balance Sheet (cont'd)

March 31, 1991
(Amounts in thousands)

	Agency Funds						
	Employees Health Insurance	Social Security Contribution	NYS Employee Payroll Withholding	Management Confidential Group Insurance	Lottery Prize	Fringe Benefit Escrow	CUNY Senior College Operating
ASSETS:							
Cash and investments	$ 117,934	$ 1,885	$ 12,643	$ 1,263	$ 1,134,224	$ 1,860	$ 10,408
Retirement system investments	—	—	—	—	—	—	—
Receivables, net of allowances for uncollectibles:							
Taxes	—	—	—	—	—	—	—
Due from Federal government	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Due from other funds	84,580	187	889	125	13,998	27,657	1,318
Other assets	—	—	—	—	—	—	17
Total assets	$ 202,514	$ 2,072	$ 13,532	$ 1,388	$ 1,148,222	$ 29,517	$ 11,743
LIABILITIES:							
Payable to local governments	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Accrued liabilities	155,965	2,072	—	698	1,148,222	29,437	—
Accounts payable	46,231	—	13,532	690	—	53	11,540
Due to other funds	318	—	—	—	—	27	203
Total liabilities	202,514	2,072	13,532	1,388	1,148,222	29,517	11,743
EQUITY:							
Fund balances:							
Reserved for:							
Net retirement system assets available for benefits	—	—	—	—	—	—	—
Unemployment benefits	—	—	—	—	—	—	—
Other specified purposes	—	—	—	—	—	—	—
Total equity	—	—	—	—	—	—	—
Total liabilities and equity	$ 202,514	$ 2,072	$ 13,532	$ 1,388	$ 1,148,222	$ 29,517	$ 11,743

Agency Funds

MMIS Statewide Escrow	SUNY Collection	Correctional Facilities Capital Projects	CUNY	Sole Custody	Miscellaneous	Totals 1991	Totals 1990
$ 93,632	$ 38,718	$ 11,099	$ 2,824	$ 3,055,226	$ 195,826	**$ 7,372,386**	$ 7,643,056
—	—	—	—	—	—	**48,945,451**	45,189,271
—	—	—	—	—	—	**623,306**	527,668
—	—	—	—	—	—	**17**	22
49,006	—	10	213	91,979	82	**2,622,726**	2,699,924
58,959	7,269	19	—	6,407	21,261	**280,730**	125,565
—	—	—	—	—	1	**6,985**	6,359
$ 201,597	**$ 45,987**	**$ 11,128**	**$ 3,037**	**$ 3,153,612**	**$ 217,170**	**$ 59,851,601**	**$ 56,191,865**
$ —	$ —	$ 10	$ —	$ 2,026,301	$ 17	**$ 2,026,328**	$ 1,309,356
157,044	9,425	9,707	2,540	1,127,311	201,153	**3,601,575**	3,130,429
44,553	—	1,362	497	—	15,995	**136,873**	219,656
—	36,562	49	—	—	5	**37,759**	110,917
201,597	**45,987**	**11,128**	**3,037**	**3,153,612**	**217,170**	**5,802,535**	**4,770,358**
—	—	—	—	—	—	**50,538,656**	47,146,862
—	—	—	—	—	—	**2,492,277**	3,307,254
—	—	—	—	—	—	**1,018,133**	967,391
—	—	—	—	—	—	**54,049,066**	51,421,507
$ 201,597	**$ 45,987**	**$ 11,128**	**$ 3,037**	**$ 3,153,612**	**$ 217,170**	**$ 59,851,601**	**$ 56,191,865**

Expendable Trust Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended March 31,1991
(Amounts in thousands)

	Combined Expendable Trust	Milk Producers Security	Unemployment Insurance Benefit Account	Sole Custody	Totals 1991	Totals 1990
REVENUES:						
Unemployment taxes	$ —	$ —	$ 1,123,177	$ —	$ 1,123,177	$ 970,806
Federal grants	5	—	30,301	—	30,306	18,198
Miscellaneous	16,924	698	235,274	1,283,308	1,536,204	1,143,067
Total revenues	16,929	698	1,388,752	1,283,308	2,689,687	2,132,071
EXPENDITURES:						
Operation of state departments and agencies:						
Personal service costs	3,518	—	—	—	3,518	2,765
Non-personal service costs	5,933	—	—	940,864	946,797	744,269
Other fringe benefits	1,103	—	—	—	1,103	672
Unemployment benefits	—	—	2,203,729	—	2,203,729	1,597,930
Total expenditures	10,554	—	2,203,729	940,864	3,155,147	2,345,636
Excess (deficiency) of revenues over expenditures	6,375	698	(814,977)	342,444	(465,460)	(213,565)
Operating transfers to other funds	(1,569)	—	—	(331,000)	(332,569)	(1,192)
Excess (deficiency) of revenues over expenditures and operating transfers to other funds	4,806	698	(814,977)	11,444	(798,029)	(214,757)
Fund balances at April 1, 1990	19,636	4,076	3,307,254	563,607	3,894,573	4,109,330
Fund balances at March 31, 1991	$ 24,442	$ 4,774	$ 2,492,277	$ 575,051	$ 3,096,544	$ 3,894,573

Nonexpendable Trust Funds — Combining Statement of Revenues, Expenses and Changes in Fund Balances

Year Ended March 31, 1991
(Amounts in thousands)

	SUNY Student Loan	Housing Development	CUNY Student Loan	CUNY Endowment
Operating revenues	$ 11,118	$ 4,386	$ 2,066	$ 4,266
Operating expenses	9	1,649	3,756	1,788
Operating income (loss)	**11,109**	**2,737**	**(1,690)**	**2,478**
Non-State subsidies and grants	174	—	1,978	—
Income (loss) before operating transfers	**11,283**	**2,737**	**288**	**2,478**
Operating transfers from other funds	—	183	—	—
Operating transfers to other funds	—	(2,000)	—	—
Net income (loss)	11,283	920	288	2,478
Fund balances at April 1, 1990	105,211	731	27,031	25,355
Fund balances at March 31, 1991	**$ 116,494**	**$ 1,651**	**$ 27,319**	**$ 27,833**

Continued

Nonexpendable Trust Funds—Combining Statement of Revenues, Expenses and Changes in Fund Balances (cont'd)

Year Ended March 31, 1991
(Amounts in thousands)

	SUNY Endowment	Miscellaneous	Totals 1991	Totals 1990
Operating revenues	$ 19,004	$ 828	$ 41,668	$ 96,239
Operating expenses	34	723	7,959	38,062
Operating income (loss)	18,970	105	33,709	58,177
Non-State subsidies and grants	—	—	2,152	1,100
Income (loss) before operating transfers	18,970	105	35,861	59,277
Operating transfers from other funds	—	200	383	4,981
Operating transfers to other funds	—	(450)	(2,450)	—
Net income (loss)	18,970	(145)	33,794	64,258
Fund balances at April 1, 1990	213,254	8,490	380,072	315,814
Fund balances at March 31, 1991	$ 232,224	$ 8,345	$ 413,866	$ 380,072

Nonexpendable Trust Funds — Combining Statement of Cash Flows

Year Ended March 31, 1991
(Amounts in thousands)

	SUNY Student Loan	Housing Development	CUNY Student Loan	CUNY Endowment
SOURCES OF CASH AND INVESTMENTS:				
Cash flows from operating activities:				
Operating income (loss)	$ 11,109	$ 2,737	$ (1,690)	$ 2,478
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:				
Change in assets and liabilities:				
Change in other receivables	(11,205)	—	(110)	(246)
Change in accrued liabilities	—	—	(59)	74
Change in accounts payable	615	—	223	—
Change in due from/due to	181	(148)	—	—
Total adjustments to operating income (loss)	**(10,409)**	**(148)**	**54**	**(172)**
Net cash provided by (used for) operating activities	**700**	**2,589**	**(1,636)**	**2,306**
Cash flows from noncapital financing activities:				
Operating grants received	174	—	1,978	—
Operating transfers from (to)	—	(1,817)	—	—
Net cash provided by (used for) noncapital financing activities	174	(1,817)	1,978	—
Cash flows from investing activities:				
Purchase of investment securities	—	—	—	(108,819)
Proceeds from sale and maturities of investment securities	—	—	—	104,735
Net cash provided by (used for) investing activities	—	—	—	**(4,084)**
Net increase (decrease) in cash and cash equivalents	874	772	342	(1,778)
Cash and cash equivalents at beginning of year	2,459	731	1,410	3,067
Cash and cash equivalents at end of year	**$ 3,333**	**$ 1,503**	**$ 1,752**	**$ 1,289**

Continued

Nonexpendable Trust Funds — Combining Statement of Cash Flows (cont'd)

Year Ended March 31, 1991
(Amounts in thousands)

	SUNY Endowment	Miscellaneous	Total
SOURCES OF CASH AND INVESTMENTS:			
Cash flows from operating activities:			
Operating income (loss)	$ 18,970	$ 105	$ 33,709
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:			
Change in assets and liabilities:			
Change in other receivables	—	—	(11,561)
Change in accrued liabilities	5	1	21
Change in accounts payable	—	(28)	810
Change in due from/due to	—	(752)	(719)
Total adjustments to operating income (loss)	5	(779)	(11,449)
Net cash provided by (used for) operating activities	18,975	(674)	22,260
Cash flows from noncapital financing activities:			
Operating grants received	—	—	2,152
Operating transfers from (to)	—	(250)	(2,067)
Net cash provided by (used for) noncapital financing activities	—	(250)	85
Cash flows from investing activities:			
Purchase of investment securities	(312,865)	—	(421,684)
Proceeds from sale and maturities of investment securities	294,138	—	398,873
Net cash provided by (used for) investing securities	(18,727)	—	(22,811)
Net increase (decrease) in cash and cash equivalents	248	(924)	(456)
Cash and cash equivalents at beginning of year	340	8,555	16,562
Cash and cash equivalents at end of year	$ 588	$ 7,631	$ 16,096

Agency Funds — Combining Statement of Changes in Assets and Liabilities — All Agency Funds

March 31, 1991
(Amounts in thousands)

	Balance April 1, 1990	Additions	Deductions	Balance March 31, 1991
Employees Health Insurance				
ASSETS:				
Cash and investments	$ 166,025	$ 1,710,926	$ 1,759,017	$ 117,934
Due from other funds	—	846,690	762,110	84,580
Total assets	$ 166,025	$ 2,557,616	$ 2,521,127	$ 202,514
LIABILITIES:				
Accrued liabilities	$ 124,980	$ 1,784,045	$ 1,753,060	$ 155,965
Accounts payable	41,045	1,741,242	1,736,056	46,231
Due to other funds	—	69,999	69,681	318
Total liabilities	$ 166,025	$ 3,595,286	$ 3,558,797	$ 202,514
NYS Employee Payroll Withholding				
ASSETS:				
Cash and investments	$ 48,824	$ 5,136,697	$ 5,172,878	$ 12,643
Due from other funds	—	10,111	9,222	889
Total assets	$ 48,824	$ 5,146,808	$ 5,182,100	$ 13,532
LIABILITIES:				
Accrued liabilities	$ —	$ 5,175,312	$ 5,175,312	$ —
Accounts payable	48,824	4,674,510	4,709,802	13,532
Due to other funds	—	43,026	43,026	—
Total liabilities	$ 48,824	$ 9,892,848	$ 9,928,140	$ 13,532

Continued

Agency Funds — Combining Statement of Changes in Assets and Liabilities — All Agency Funds (cont'd)

March 31, 1991
(Amounts in thousands)

	Balance April 1, 1990	Additions	Deductions	Balance March 31, 1991
Lottery Prize				
ASSETS:				
Cash and investments	$ 988,059	$ 1,773,011	$ 1,626,846	$ 1,134,224
Due from other funds	25,322	22,491	33,815	13,998
Total assets	$ 1,013,381	$ 1,795,502	$ 1,660,661	$ 1,148,222
LIABILITIES:				
Accrued liabilities	$ 1,013,381	$ 1,493,813	$ 1,358,972	$ 1,148,222
Accounts payable	—	442,684	442,684	—
Due to other funds	—	2,032	2,032	—
Total liabilities	$ 1,013,381	$ 1,938,529	$ 1,803,688	$ 1,148,222
Fringe Benefit Escrow				
ASSETS:				
Cash and investments	$ 1,504	$ 421,705	$ 421,349	$ 1,860
Due from other funds	75,522	225,735	273,600	27,657
Total assets	$ 77,026	$ 647,440	$ 694,949	$ 29,517
LIABILITIES:				
Accrued liabilities	$ 61,321	$ 404,552	$ 436,436	$ 29,437
Accounts payable	39	120,339	120,325	53
Due to other funds	15,666	155	15,794	27
Total liabilities	$ 77,026	$ 525,046	$ 572,555	$ 29,517

Agency Funds — Combining Statement of Changes in Assets and Liabilities — All Agency Funds (cont'd)

March 31, 1991
(Amounts in thousands)

	Balance April 1, 1990	Additions	Deductions	Balance March 31, 1991
MMIS Statewide Escrow				
ASSETS:				
Cash and investments	$ 205,504	$ 13,161,856	$ 13,273,728	$ 93,632
Receivables, net of allowances for uncollectibles				
Other	679	49,007	680	49,006
Due from other funds	17	1,183,411	1,124,469	58,959
Total assets	$ 206,200	$ 14,394,274	$ 14,398,877	$ 201,597
LIABILITIES:				
Accrued liabilities	$ 102,509	$ 12,545,818	$ 12,491,283	$ 157,044
Accounts payable	103,691	12,445,990	12,505,128	44,553
Due to other funds	—	44,446	44,446	—
Total liabilities	$ 206,200	$ 25,036,254	$ 25,040,857	$ 201,597
Miscellaneous				
ASSETS:				
Cash and investments	$ 2,621,047	$ 6,849,933	$ 6,153,731	$ 3,317,249
Receivables, net of allowances for uncollectibles:				
Other	74,257	92,283	74,256	92,284
Due from other funds	22,611	226,905	212,930	36,586
Other Assets	83	18	83	18
Total assets	$ 2,717,998	$ 7,169,139	$ 6,441,000	$ 3,446,137
LIABILITIES:				
Payable to local governments	$ 1,309,356	$ 2,026,328	$ 1,309,356	$ 2,026,328
Accrued liabilities	1,290,703	1,480,484	1,418,281	1,352,906
Accounts payable	23,206	1,440,825	1,433,947	30,084
Due to other funds	94,733	838,214	896,128	36,819
Total liabilities	$ 2,717,998	$ 5,785,851	$ 5,057,712	$ 3,446,137

Continued

Agency Funds — Combining Statement of Changes in Assets and Liabilities — All Agency Funds (cont'd)

March 31, 1991
(Amounts in thousands)

	Balance April 1, 1990	Additions	Deductions	Balance March 31, 1991
Total Assets and Liabilities — All Agency Funds				
ASSETS:				
Cash and investments	$ 4,030,963	$ 29,054,128	$ 28,407,549	$ 4,677,542
Receivables, net of allowances for uncollectibles:				
Other	74,936	141,290	74,936	141,290
Due from other funds	123,472	2,515,343	2,416,146	222,669
Other Assets	83	18	83	18
Total assets	$ 4,229,454	$ 31,710,779	$ 30,898,714	$ 5,041,519
LIABILITIES:				
Payable to local governments	$ 1,309,356	$ 2,026,328	$ 1,309,356	$ 2,026,328
Accrued liabilities	2,592,894	22,884,024	22,633,344	2,843,574
Accounts payable	216,805	20,865,590	20,947,942	134,453
Due to other funds	110,399	997,872	1,071,107	37,164
Total liabilities	$ 4,229,454	$ 46,773,814	$ 45,961,749	$ 5,041,519

General Fixed Assets Account Group

General Fixed Assets Account Group accounts for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets except those accounted for by public benefit corporations and the State's infrastructure fixed assets.

Schedule of General Fixed Assets by Function

March 31, 1991
(Amounts in thousands)

Function	Land	Land Improvements	Buildings	Equipment	Totals
General government	$ 53,264	$ 24,823	$ 1,692,842	$ 205,943	$ 1,976,872
Education	80,286	44,713	3,704,090	346,690	4,175,779
Economic development & regulation	371	4,876	15,739	16,803	37,789
Human resources	8,262	2,436	60,260	26,221	97,179
Health & mental health	110,405	21,936	1,089,651	91,370	1,313,362
Environment	268,519	7,679	40,321	29,110	345,629
Transportation	67,910	18,305	141,665	190,300	418,180
Public safety	9,731	76,723	1,085,911	49,250	1,221,615
Natural resources & recreation	135,740	81,796	112,378	12,045	341,959
Total by function	**$ 734,486**	**$ 283,287**	**$ 7,942,857**	**$ 967,732**	**$ 9,928,364**
Construction in progress					982,418
Total general fixed assets					**$ 10,910,782**

Schedule of Changes in General Fixed Assets by Function

Year Ended March 31, 1991
(Amounts in thousands)

Function	Balance April 1, 1990	Additions	Deletions	Net Transfers	Balance March 31, 1991
General government	$ 1,905,833	$ 92,318	$ 10,013	$ (11,266)	**$ 1,976,872**
Education	4,109,268	101,791	35,199	(81)	**4,175,779**
Economic development & regulation	32,850	4,912	—	27	**37,789**
Human resources	89,248	10,024	2,069	(24)	**97,179**
Health & mental health	1,259,433	77,584	4,880	(18,775)	**1,313,362**
Environment	308,868	38,945	2,336	152	**345,629**
Transportation	379,777	42,569	3,895	(271)	**418,180**
Public safety	951,824	240,850	1,061	30,002	**1,221,615**
Natural resources & recreation	330,544	11,485	306	236	**341,959**
Total by function	9,367,645	620,478	59,759	—	9,928,364
Construction in progress	641,387	532,254	191,223	—	**982,418**
Total general fixed assets	**$ 10,009,032**	**$ 1,152,732**	**$ 250,982**	**$ —**	**$ 10,910,782**

Schedule Of General Fixed Assets by Source

March 31, 1991
(Amounts in thousands)

General Fixed Assets:		
Land	$	734,488
Land improvements		283,287
Buildings		7,942,857
Equipment		967,732
Construction in progress		982,418
Total general fixed assets	**$**	**10,910,782**
Investment in General Fixed Assets:		
General fund	$	991,310
Special revenue fund		177,607
Capital projects fund		2,584,096
Trust & agency fund		3,396
Agency funds		12,086
Donations		6,307
Fixed assets—initial inventory		7,135,980
Total investment in general fixed assets	**$**	**10,910,782**

Empire State Plaza, Albany – N.Y.S. Dept. of Economic Development

Public Benefit Corporations

Public benefit corporations (corporations) are legally separate entities that are not operating departments of the State. The corporations are managed independently, outside the appropriated budget process and their powers generally are vested in a governing board. Corporations are established for a variety of purposes for the benefit of the State's citizenry such as economic development, financing and public transportation. They are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts. The Governor, with the approval of the State Senate, appoints most members of the Board of most corporations and either the Governor or the board selects the Chairman and chief operating officer.

Public Benefit Corporations — Combining Balance Sheet

March 31, 1991
(Amounts in thousands)

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Housing Finance Agency	Urban Development Corporation
ASSETS:						
Cash and investments	$ 1,808,972	$ 255,967	$ 3,228,359	$ 3,465,528	$ 786,461	$ 581,143
Receivables, net of allowances for uncollectibles:						
Loans and leases	—	—	—	7,589,791	2,698,358	2,622,843
Other	120,394	23,406	1,886,608	289,979	173,224	55,163
Fixed assets	3,660,436	1,078,950	10,981,880	5,875	—	828
Other assets	144,358	8,746	414,376	33,337	—	96,070
Total assets	$ 5,734,160	$ 1,367,069	$ 16,511,223	$ 11,384,510	$ 3,658,043	$ 3,356,047
LIABILITIES:						
Accrued liabilities	$ 156,650	$ 95,685	$ 1,034,444	$ 489,440	$ 299,742	$ 121,914
Pension contributions payable	—	10,983	1,566,127	1,258	—	—
Accounts payable	—	—	298,512	—	—	—
Deferred revenues	233,488	416	102,786	7,435	30,260	22,710
Notes payable	563,450	—	—	86,954	—	131,090
Bonds payable	3,075,764	236,894	6,750,784	10,487,089	2,904,098	2,591,411
Other long-term liabilities	247,838	—	397,872	—	163,517	590,684
Total liabilities	4,277,190	343,978	10,150,525	11,072,176	3,397,617	3,457,809
EQUITY (DEFICIT):						
Contributed capital	—	102,890	9,443,428	—	—	—
Retained earnings	1,456,970	920,201	(3,082,730)	312,334	260,426	(101,762)
Total equity (deficit)	1,456,970	1,023,091	6,360,698	312,334	260,426	(101,762)
Total liabilities and equity(deficit)	$ 5,734,160	$ 1,367,069	$ 16,511,223	$ 11,384,510	$ 3,658,043	$ 3,356,047

State Insurance Fund	SONY Mortgage Agency	Medical Care Facilities Finance Agency	Other Entities	Total	Eliminations	Totals 1991	Totals 1990
$ 3,177,376	$ 654,553	$ 1,776,189	$ 1,071,268	$ 16,805,816	$ (608,732)	**$ 16,197,084**	$ 14,674,920
—	2,257,430	4,636,196	1,321,723	21,126,341	(7,151,350)	**13,974,991**	12,599,037
842,530	28,163	55,557	434,057	3,909,081	(1,964,289)	**1,944,792**	1,799,034
13,536	—	—	1,202,294	16,943,799	—	**16,943,799**	15,452,550
4,624	56,308	—	65,268	823,087	(138)	**822,949**	785,257
$ 4,038,066	**$ 2,996,454**	**$ 6,467,942**	**$ 4,094,610**	**$ 59,608,124**	**$ (9,724,509)**	**$ 49,883,615**	**$ 45,310,798**
$ 3,744,420	$ 10,760	$ 339,302	$ 433,929	$ 6,726,286	$ (2,933)	**$ 6,723,353**	$ 5,944,099
—	—	—	679	1,579,047	—	**1,579,047**	1,574,674
—	—	2,426	31,490	332,428	(1,090)	**331,338**	242,771
293,646	—	26,706	88,393	805,840	—	**805,840**	774,971
—	—	300	56,443	838,237	(131,090)	**707,147**	705,511
—	2,646,717	5,858,336	1,996,625	36,547,718	(9,457,756)	**27,089,962**	24,792,863
—	—	—	197,985	1,597,896	(131,640)	**1,466,256**	1,321,393
4,038,066	**2,657,477**	**6,227,070**	**2,805,544**	**48,427,452**	**(9,724,509)**	**38,702,943**	**35,356,282**
—	—	—	899,134	10,445,452	—	**10,445,452**	9,114,664
—	338,977	240,872	389,932	735,220	—	**735,220**	839,852
—	**338,977**	**240,872**	**1,289,066**	**11,180,672**	—	**11,180,672**	**9,954,516**
$ 4,038,066	**$ 2,996,454**	**$ 6,467,942**	**$ 4,094,610**	**$ 59,608,124**	**$ (9,724,509)**	**$ 49,883,615**	**$ 45,310,798**

Public Benefit Corporations — Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficits)

Year Ended March 31, 1991
(Amounts in thousands)

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Housing Finance Agency	Urban Development Corporation
OPERATING REVENUES:						
Charges for services	$ 1,239,657	$ 290,717	$ 2,859,907	$ 28,036	$ 12,278	$ —
Financing income	—	—	—	593,013	243,154	94,629
Investment earnings	—	—	—	126,795	41,834	38,430
Miscellaneous	1,402	10,289	83,004	17,581	839	4,827
Total operating revenues	**1,241,059**	**301,006**	**2,942,911**	**765,425**	**298,105**	**137,886**
OPERATING EXPENSES:						
Operations	938,845	277,321	4,857,605	147,595	23,521	30,349
Depreciation and amortization	158,122	—	116,858	861	30	612
Interest	—	—	—	643,243	255,172	206,028
Total operating expenses	**1,096,967**	**277,321**	**4,974,463**	**791,699**	**278,723**	**236,989**
Operating income (loss)	**144,092**	**23,685**	**(2,031,552)**	**(26,274)**	**19,382**	**(99,103)**
NONOPERATING REVENUES (EXPENSES):						
Non-State subsidies and grants	—	—	1,109,637	—	—	—
Interest revenues	110,851	21,813	41,712	—	—	—
Interest expenses	(228,061)	(7,471)	(141,705)	—	—	—
Other, net	(18,798)	(45,402)	(41,443)	233,890	(24,060)	1,769
Net nonoperating revenues (expenses)	**(136,008)**	**(31,060)**	**968,201**	**233,890**	**(24,060)**	**1,769**
Income (loss) before operating transfers	8,084	(7,375)	(1,063,351)	207,616	(4,678)	(97,334)
Operating transfers from other funds	—	—	869,903	—	—	119,572
Operating transfers to other funds	—	—	—	(3,080)	—	—
Net income (loss)	8,084	(7,375)	(193,448)	204,536	(4,678)	22,238
Retained earnings (deficits) at beginning of year, as restated	1,448,886	927,576	(2,889,282)	107,798	265,104	(124,000)
Retained earnings (deficits) at end of year	**$ 1,456,970**	**$ 920,201**	**$ (3,082,730)**	**$ 312,334**	**$ 260,426**	**$ (101,762)**

State Insurance Fund	SONY Mortgage Agency	Medical Care Facilities Finance Agency	Other Entities	Total	Eliminations	Totals 1991	Totals 1990
$ 1,150,384	$ —	$ 8,452	$ 144,100	$ 5,733,531	$ —	$ 5,733,531	$ 5,148,893
—	193,616	407,725	210,198	1,742,335	(437,418)	1,304,917	1,045,890
289,516	67,221	127,048	31,732	722,576	—	722,576	712,089
7,576	48,363	—	144,657	318,538	—	318,538	317,439
1,447,476	**309,200**	**543,225**	**530,687**	**8,516,980**	**(437,418)**	**8,079,562**	**7,224,311**
1,474,302	16,703	27,465	1,158,876	8,952,582	(5,000)	8,947,582	8,272,529
439	30,649	1,779	15,498	324,848	—	324,848	317,281
—	185,084	456,050	51,223	1,796,800	(301,897)	1,494,903	1,127,104
1,474,741	**232,436**	**485,294**	**1,225,597**	**11,074,230**	**(306,897)**	**10,767,333**	**9,716,914**
(27,265)	**76,764**	**57,931**	**(694,910)**	**(2,557,250)**	**(130,521)**	**(2,687,771)**	**(2,492,603)**
—	—	—	457,186	1,566,823	(5,000)	1,561,823	1,483,661
446	—	—	37,536	212,358	—	212,358	241,967
(8)	—	—	(65,580)	(442,825)	135,521	(307,304)	(435,509)
256,827	(14,706)	(5,988)	(147,053)	195,036	—	195,036	140,756
257,265	**(14,706)**	**(5,988)**	**282,089**	**1,531,392**	**130,521**	**1,661,913**	**1,430,875**
230,000	62,058	51,943	(412,821)	(1,025,858)	—	(1,025,858)	(1,061,728)
—	—	1,426	323,853	1,314,754	—	1,314,754	1,201,925
(230,000)	(24,800)	—	(66,814)	(324,694)	—	(324,694)	(388,704)
—	37,258	53,369	(155,782)	(35,798)	—	(35,798)	(248,507)
—	301,719	187,503	545,714	771,018	—	771,018	1,088,359
$ —	**$ 338,977**	**$ 240,872**	**$ 389,932**	**$ 735,220**	**$ —**	**$ 735,220**	**$ 839,852**

Public Benefit Corporations — Combining Statement of Cash Flows

Year Ended March 31, 1991
(Amounts in thousands)

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Housing Finance Agency
SOURCES OF CASH AND INVESTMENTS:					
Cash flows from operating activities:					
Operating income (loss)	$ 144,092	$ 23,685	$ (2,031,552)	$ (26,274)	$ 19,382
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	158,122	—	116,858	861	30
Interest paid on operating debt	—	—	—	643,243	255,172
Interest and dividends on investments	—	—	—	(126,795)	(41,834)
Other	(18,798)	(45,402)	60,809	233,890	(24,060)
Change in assets and liabilities:					
Change in loans and leases receivables	—	—	—	(1,450,089)	(116,499)
Change in other receivables	8,876	(2,378)	(265,206)	(122,948)	(2,937)
Change in other assets	(3,830)	(215)	18,506	(19,411)	—
Change in accrued liabilities	8,923	10,162	(29,447)	205,497	(174,011)
Change in pension contributions payable	—	(1,071)	5,590	—	—
Change in accounts payable	—	—	87,232	—	—
Change in deferred revenue	35,183	18	(31,437)	1,614	4,217
Total adjustments to operating income (loss)	**188,476**	**(38,886)**	**(37,095)**	**(634,138)**	**(99,922)**
Net cash provided by (used for) operating activities	**332,568**	**(15,201)**	**(2,068,647)**	**(660,412)**	**(80,540)**
Cash flows from noncapital financing activities:					
Borrowing of operating debt	2,200	—	—	2,857,758	613,060
Repayment of operating debt	—	—	—	(1,206,681)	(657,206)
Interest paid on operating debt	—	—	—	(643,243)	(255,172)
Operating grants received	—	—	1,109,637	—	—
Operating transfers from (to)	—	—	869,903	(3,080)	—
Repayment of other long-term liabilities	—	—	—	—	(3,782)
Proceeds from other long-term liabilities	42,918	—	—	—	—
Net cash provided by (used for) noncapital financing activities	**45,118**	**—**	**1,979,540**	**1,004,754**	**(303,100)**
Cash flows from capital and related financing activities:					
Proceeds from issuance of bonds	353,415	—	1,424,885	—	—
Proceeds from issuance of notes	—	—	—	—	—
Repayment of bonds	(412,075)	(35,611)	(509,893)	—	—
Repayment of notes	—	—	—	—	—
Interest paid on bonds and notes	(228,061)	(7,471)	(141,705)	—	—
Capital contributions	—	—	1,176,131	—	—
Acquisition and construction of capital assets	(324,047)	(3,503)	(2,204,667)	(437)	—
Other	12,796	—	764,987	—	—
Net cash provided by (used for) capital and related financing activities	**(597,972)**	**(46,585)**	**509,738**	**(437)**	**—**
Cash flows from investing activities:					
Purchase of investment securities	(2,334,706)	—	(2,224,629)	(7,761,589)	(4,606,399)
Proceeds from sale and maturities of investment securities	2,456,165	21,151	1,751,820	7,275,182	4,753,316
Interest and dividends on investments	110,851	21,813	41,712	126,795	72,139
Net cash provided by (used for) investing activities	**232,310**	**42,964**	**(431,097)**	**(359,612)**	**219,056**
Net increase (decrease) in cash and cash equivalents	12,024	(18,822)	(10,466)	(15,707)	(164,584)
Cash and cash equivalents at beginning of year	1,361	68,843	51,616	19,876	187,722
Cash and cash equivalents at end of year	**$ 13,385**	**$ 50,021**	**$ 41,150**	**$ 4,169**	**$ 23,138**

Urban Development Corporation	State Insurance Fund	SONY Mortgage Agency	Medical Care Facilities Finance Agency	Other Entities	Total	Eliminations	Total
$ (99,103)	$ (27,265)	$ 76,764	$ 57,931	$ (694,910)	$ (2,557,250)	$ (130,521)	$ (2,687,771)
612	439	30,649	1,779	15,498	324,848	—	324,848
206,028	—	185,084	456,050	51,223	1,796,800	—	1,796,800
(38,430)	(289,516)	(67,221)	(127,048)	(31,732)	(722,576)	—	(722,576)
1,769	256,827	(14,706)	(23,338)	(147,453)	279,538	—	279,538
(582,406)	—	(347,343)	(587,018)	(603,394)	(3,686,749)	2,211,445	(1,475,304)
3,941	(471,229)	2,513	(2,977)	(94,048)	(946,393)	735,975	(210,418)
(24,363)	(3,384)	(15)	—	(5,626)	(38,338)	(113)	(38,451)
35,444	613,841	2,937	36,000	33,336	742,682	113	742,795
—	—	—	—	(146)	4,373	—	4,373
—	—	—	(404)	11,522	98,350	(1,090)	97,260
654	20,881	—	10,081	(9,657)	31,554	—	31,554
(396,751)	**127,859**	**(208,102)**	**(236,875)**	**(780,477)**	**(2,115,911)**	**2,946,330**	**830,419**
(495,854)	**100,594**	**(131,338)**	**(178,944)**	**(1,475,387)**	**(4,673,161)**	**2,815,809**	**(1,857,352)**
544,219	—	372,685	876,610	624,779	5,891,311	(2,280,721)	3,610,590
(45,660)	—	(322,803)	(182,934)	(27,509)	(2,442,793)	627,691	(1,815,102)
(206,028)	—	(185,084)	(456,050)	(51,223)	(1,796,800)	135,521	(1,661,279)
—	—	—	—	457,186	1,566,823	(5,000)	1,561,823
119,572	(230,000)	(24,800)	1,426	256,354	989,375	—	989,375
(6,199)	—	—	—	(14,764)	(24,745)	3,941	(20,804)
70,532	—	—	—	25,562	139,012	(76,477)	62,535
476,436	**(230,000)**	**(160,002)**	**239,052**	**1,270,385**	**4,322,183**	**(1,595,045)**	**2,727,138**
—	—	—	—	283,349	2,061,649	(538,945)	1,522,704
—	—	—	—	1,581	1,581	—	1,581
—	—	—	—	(18,965)	(976,544)	28,001	(948,543)
—	—	—	—	(6,760)	(6,760)	1,297	(5,463)
—	(8)	—	—	(65,580)	(442,825)	—	(442,825)
—	—	—	—	148,819	1,324,950	—	1,324,950
(22)	—	—	—	(60,526)	(2,593,202)	—	(2,593,202)
—	(5,585)	—	—	38,384	810,582	—	810,582
(22)	**(5,593)**	**—**	**—**	**320,302**	**179,431**	**(509,647)**	**(330,216)**
(21,071)	(936,581)	—	(3,086,949)	(819,564)	(21,791,488)	—	(21,791,488)
—	498,545	228,061	2,888,848	656,999	20,530,087	(570,827)	19,959,260
38,430	289,962	67,221	127,048	69,273	965,244	—	965,244
17,359	**(148,074)**	**295,282**	**(71,053)**	**(93,292)**	**(296,157)**	**(570,827)**	**(866,984)**
(2,081)	(283,073)	3,942	(10,945)	22,008	(467,704)	140,290	(327,414)
24,469	333,112	5,960	26,769	357,247	1,076,975	(229,457)	847,518
$ 22,388	**$ 50,039**	**$ 9,902**	**$ 15,824**	**$ 379,255**	**$ 609,271**	**$ (89,167)**	**$ 520,104**

Statistical Section

Schedule of Revenues, Expenditures and Other Financing Sources (Uses)

ALL GOVERNMENTAL FUNDS
For the Past Ten Fiscal Years

(Amounts in millions)

	1981-82	1982-83	1983-84
REVENUES:			
Taxes	$ 15,060	$ 16,252	$ 18,498
Miscellaneous revenues	2,782	3,191	2,943
Federal grants	6,955	7,047	7,432
Total revenues	**24,797**	**26,490**	**28,873**
EXPENDITURES:			
Grants to local governments	15,705	17,005	17,737
Operations of state departments and agencies	8,097	9,018	9,543
Debt service	701	1,143	1,229
Capital projects	996	1,294	1,109
Total expenditures	**25,499**	**28,460**	**29,618**
Revenues over (under) expenditures	(702)	(1,970)	(745)
OTHER FINANCING SOURCES (USES):			
Bond proceeds	123	747	225
Proceeds from financing arrangements	—	—	70
Transfers from other funds	3,348	3,908	3,396
Transfers to other funds	(3,093)	(3,512)	(3,396)
Payments on advance refundings	—	—	—
Net other financing sources (uses)	**378**	**1,143**	**295**
Operating revenues and other financing sources over (under) expenditures and other financing uses	**$ (324)**	**$ (827)**	**$ (450)**

Source: Office of the State Comptroller

1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
$ 20,803	$ 22,255	$ 25,030	$ 25,688	$ 26,849	$ 27,858	$ 28,019
3,555	3,798	4,303	4,602	5,324	5,971	6,232
8,195	8,999	9,436	9,429	10,305	11,535	13,162
32,553	**35,052**	**38,769**	**39,719**	**42,478**	**45,364**	**47,413**
19,591	21,405	23,390	23,656	26,228	28,190	31,012
10,625	11,165	11,951	13,013	13,604	14,626	15,358
1,309	1,315	1,335	1,394	1,561	1,716	1,848
1,328	1,521	1,749	1,720	2,115	2,178	2,701
32,853	**35,406**	**38,425**	**39,783**	**43,508**	**46,710**	**50,919**
(300)	(354)	344	(64)	(1,030)	(1,346)	(3,506)
210	160	436	180	247	659	753
64	495	866	896	1,291	2,303	3,603
3,770	3,794	4,473	4,481	5,137	5,727	7,619
(3,770)	(3,794)	(4,148)	(5,185)	(5,888)	(6,788)	(8,314)
—	—	—	(488)	(757)	(1,728)	(1,555)
274	**655**	**1,627**	**(116)**	**30**	**173**	**2,106**
$ (26)	**$ 301**	**$ 1,971**	**$ (180)**	**$ (1,000)**	**$ (1,173)**	**$ (1,400)**

Schedule of Collections of Principal State Taxes

(Amounts in millions)

Fiscal Year	Personal Income Tax	Sales and Use Tax	Motor Fuel Tax	Corporate Franchise Tax	Cigarette Tax	Corporate & Utility Tax	Total
1981-82	$ 8,040	$ 3,097	$ 430	$ 1,137	$ 338	$ 783	$ 13,825
1982-83	8,227	3,490	437	1,172	333	935	14,594
1983-84	9,417	3,905	422	1,344	438	1,085	16,611
1984-85	10,391	4,179	409	1,681	434	1,068	18,162
1985-86	11,482	4,746	469	1,605	425	1,058	19,785
1986-87	12,238	5,045	496	1,746	407	1,030	20,962
1987-88	13,921	5,494	500	1,734	401	1,058	23,108
1988-89	13,844	5,736	489	1,558	384	1,072	23,083
1989-90	15,252	5,963	543	1,413	541	1,137	24,849
1990-91	14,516	5,642	505	1,660	606	1,402	24,331
Total	$ 117,328	$ 47,297	$ 4,700	$ 15,050	$ 4,307	$ 10,628	$ 199,310

Source: Office of the State Comptroller & State Division of the Budget

Schedule of State-Related Debt Per Capita

Fiscal Year	Total State Population (Millions)	General Obligation Debt	State Guaranteed Authority Debt	Lease/Purchase and Contractual Obligation Debt	Moral Obligation Debt	Total Debt
1981-82	17.6	$ 209	$ 28	$ 261	$ 711	$ 1,209
1982-83	17.6	216	28	284	714	1,242
1983-84	17.7	212	31	323	731	1,297
1984-85	17.7	215	35	318	726	1,294
1985-86	17.7	211	32	341	707	1,291
1986-87	17.8	218	33	386	721	1,358
1987-88	17.8	217	32	428	673	1,350
1988-89	17.9	219	31	466	647	1,363
1989-90	17.9	279	31	522	617	1,449
1990-91	18.0	318	30	735	550	1,633

Source: Office of the State Comptroller

Schedule of Ratio of Annual Debt Service For General Obligation Debt to Total General Fund Expenditures

Last Ten Fiscal Years
(Amounts In thousands)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
1991	$ 337,736	$ 265,710	$ 603,446	$ 32,798,660	1.84%
1990	291,786	232,482	524,268	30,990,732	1.69%
1989	281,294	234,976	516,270	29,383,200	1.76%
1988	282,765	242,648	525,413	27,186,550	1.93%
1987	261,146	230,268	491,414	25,488,857	1.93%
1986	267,928	234,356	502,284	23,183,666	2.17%
1985	266,599	232,446	499,045	21,442,253	2.33%
1984	259,352	228,461	487,813	19,515,826	2.50%
1983	238,996	192,808	431,804	17,765,153	2.43%
1982	234,910	191,158	426,068	16,944,834	2.51%
1981	224,418	179,368	403,786	14,445,459	2.80%

Source: Office of the State Comptroller

Schedule of Demographic Statistics

Years	Population (1000s)	% of US Population	Per Capita Personal Income	Unemployment (1000s)	Unemployment %
1980	17,558	7.8	$ 10,721	597	7.5
1981	17,556	7.5	11,466	612	8.6
1982	17,567	7.5	12,314	686	8.6
1983	17,670	7.5	13,581	688	8.6
1984	17,727	7.5	14,867	583	7.2
1985	17,762	7.4	15,803	544	6.5
1986	17,795	7.4	16,958	526	6.3
1987	17,825	7.3	18,055	412	4.9
1988	17,898	7.3	19,299	357	4.2
1989	17,950	7.2	21,073	442	5.1

Source: Significant Features of Fiscal Federalism

Schedule of City Populations Within New York State

City	1930	1940	1950	1960	1970	1980
New York City	6,930,446	7,454,995	7,891,957	7,781,984	7,895,563	7,071,639
Buffalo	573,076	575,901	580,132	532,759	462,768	357,370
Rochester	328,132	324,975	332,488	318,611	295,011	241,741
Yonkers	134,646	142,598	152,798	190,634	204,297	195,301
Syracuse	209,326	205,967	220,583	216,038	197,297	170,105
Albany	127,412	130,577	134,995	129,726	115,781	101,727
Utica	101,740	100,518	101,531	100,410	91,373	75,632
Niagara Falls	75,460	78,029	90,872	102,394	85,615	71,384
Schenectady	95,692	87,549	91,785	81,682	77,859	67,972
Other Areas	4,012,136	4,378,033	5,233,051	7,328,066	8,816,394	9,205,201
Total State Population	12,588,066	13,479,142	14,830,192	16,782,304	18,241,958	17,558,072

Source: U.S. Department of Commerce-Bureau of Census

Schedule of Ten Largest Industrial & Commercial Employers

Firm	Location
American Express	New York City
The Chase Manhattan Corporation	New York City
Citicorp	New York City
Eastman Kodak Company	Rochester
General Electric Company	Schenectady
General Motors Corporation	Buffalo
Great Atlantic & Pacific Tea Company	New York City
Grumman Corporation	Bethpage
International Business Machines	Armonk
Sears, Roebuck & Company	Albany

Source: New York State Department of Economic Development

Nonagricultural Employment and Income by Categories

(Amounts In billions)

	Percentage Composition of Employment (1990)		United States		New York State	
	United States	New York	Amount	Percent	Amount	Percent
Construction	4.7%	3.8%	$ 189.2	5.6%	$ 12.9	4.3%
Finance, Insurance and Real Estate	6.2%	9.5%	243.6	7.2%	43.2	14.5%
Government	16.6%	17.9%	546.4	16.3%	47.1	15.8%
Manufacturing and Mining	17.9%	13.8%	680.7	20.3%	41.9	14.1%
Services and Other	25.6%	29.3%	942.7	28.1%	93.7	31.5%
Transportation, Communication and Other Utilities	5.3%	5.2%	228.6	6.8%	18.6	6.3%
Wholesale and Retail	23.7%	20.5%	527.2	15.7%	40.0	13.5%
Total	100.0%	100.0%	$ 3,358.4	100.0%	$ 297.4	100.0%

Source: U.S. & N.Y.S. Departments of Labor; US Department of Commerce

Schedule of Miscellaneous Statistics

March 31, 1991

Date Entered Union	July 26, 1788
Form of Government	Legislative—Executive—Judicial
Land Area	49,576 square miles
Miles of State Highways	14,843
State Police Protection:	
Number of Troops	10
Number of State Police Employees	4,334
State University of New York (All Campuses):	
Number of Campuses in State	70
Number of Faculty	25,045
Number of Students	365,272
Recreation:	
Number of State Parks	148
Area of State Parks	256,414 acres
Historic Sites	34

Source: New York State Statistical Yearbook

STATE OF NEW YORK

Office of the State Comptroller Organization

EDWARD V. REGAN
State Comptroller

Donald G. Dunn
First Deputy Comptroller

Robert H. Attmore
Deputy Comptroller,
Management Audit and Financial Reporting

James E. McGill
Deputy Comptroller,
Pre-Audit and Accounting Operations

Cornelius F. Healy
Deputy Comptroller, Municipal Affairs

John S. Mauhs
Deputy Comptroller, Retirement

John E. Hull
Deputy Comptroller, Investments and Cash Management

Elinor B. Bachrach
Deputy Comptroller, City of New York

Anthony F. Taverni
Deputy Comptroller, Administration

Gail Gordon
Counsel to the Comptroller

Marvin G. Nailor
Press Secretary to the Comptroller

Timothy Murphy
Director, Executive Management Information

George J. Shemo
Director, Internal Audit

Bureau of Financial Reporting

Directors:
Paul W. Wilkes
Thomas E. Waring

Assistant Director:
Gary R. Armstrong

Reporting Managers:
Ronald R. Bolster
Robert T. Boyce
John A. Costello
David J. Hasso

Administrative Support:
Carrie Wharton

STATE OF NEW YORK
COMPTROLLER